



Daily Report

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Daily Report

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NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

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General

Yao Yilin Meets Asian Development Bank Official

OW0408122289 Beijing XINHUA in English
1207 GMT 4 Aug 89

[Text] Beijing, August 4 (XINHUA)—Chinese Vice-Premier Yao Yilin said here today that China is determined to pay its foreign debts dutifully.

The senior vice-premier made the remarks in his meeting with David A. Artko, director of the Country Program Department (East) of the Asian Development Bank (ADB), and his party here today.

Yao said that one of the characteristics of the Eighth Five-Year Plan of China's national economy, which will start in 1991, is to take into consideration the problem of repaying foreign debts. China expects to increase its ability to pay debts by expanding export, he added.

Answering questions raised by the visitors on China's reforms and open policy, Yao said that China could hardly develop itself and make progress without reforms and open policy. This view is shared by almost all the Chinese people. The problem is how to carry out reforms and open policy in a better way.

The Chinese leader said that China has accumulated some experiences in reforms and opening to the outside world. Not all these experiences, however, are successful. Therefore further exploration must be made. But one thing is certain, that is, the reforms and open policy will not be implemented at the cost of changing the socialist nature of China's existing social system.

He said that in the course of reforms and opening to the outside world, China will, in the light of its specific conditions, adopt an "analyse-and-choose" attitude in absorbing foreign experience.

The ADB visitors are here at the invitation of the People's Bank of China. They are scheduled to visit Shanghai.

Roundup Reviews Qian's Activities in Paris

OW0508225289 Beijing International Service
in Mandarin 0900 GMT 4 Aug 89

[Roundup by station reporter (Wang Zuozhou) from Paris: "Chinese Foreign Minister Actively Launches Diplomatic Activities in Paris"]

[Text] The first ministerial level meeting of the Paris international conference on the Kampuchea question, which has attracted worldwide attention, ended on 1 August.

The Chinese delegation, led by Foreign Minister Qian Qichen, not only made efforts toward seeking an all-around, just, and reasonable solution to the Kampuchea

question during the meeting, but also launched frequent diplomatic activities outside the meeting. Public opinion has noted that China is still active on the international diplomatic stage.

After explaining China's views on a just, reasonable, and all-around political solution to the Kampuchea question at the Paris international conference, Foreign Minister Qian time and again stated that China is willing to cooperate closely with other nations and UN organizations concerned to see that positive results are achieved during the international conference.

China's reasonable views and positive attitude were welcomed by an overwhelming majority of the participants. Representatives from many nations pointed out that China must play an important role in the process of seeking a political solution to the Kampuchea question.

In only 3 days, the Chinese foreign minister was able to meet the UN secretary general, representatives from the tripartite Kampuchean delegation headed by Sihanouk, and the foreign ministers from 11 nations, including 6 Western industrialized nations. In a meeting with the Indonesian foreign minister, both sides further discussed the three-point agreement on the normalization of Sino-Indonesian relations reached in Tokyo last February. Both sides also agreed that the two nations' UN representatives would continue talks in the near future on specific issues related to the resumption of diplomatic relations between the two nations. The foreign ministers of the two nations will hold talks again during this year's UN General Assembly session.

In meeting with Indian Foreign Minister Singh, Foreign Minister Qian reiterated that China attaches great importance to Sino-Indian relations. He pointed out that the good developmental trend of Sino-Indian relations should be maintained. The Indian diplomat told Foreign Minister Qian that Prime Minister Rajiv Gandhi expressed gratification over the development of relations between the two nations in various areas.

In meeting with the Soviet foreign minister, both sides expressed satisfaction over the development of relations between the two nations since the Sino-Soviet summit last May. During the meeting, both sides agreed to hold talks on border disarmament and the border issue this coming fall.

During the meeting with U.S. Secretary of State Baker, Baker said that President Bush highly values the Sino-U.S. relations cultivated over the past 12 years and hopes that these relations will be maintained and developed with joint efforts. Foreign Minister Qian Qichen stressed that China and the United States have common political and economic interests, and that these relations can further develop if there is mutual respect and non-interference in each other's internal affairs between the two nations.

Foreign Minister Qian and British Secretary of Foreign Affairs John Major exchanged views on the Hong Kong question. Both sides agreed that maintaining Hong Kong's prosperity and stability conforms with the interests of the residents of Hong Kong as well as those of China and Britain. Both sides unanimously agreed that the Sino-British Joint Liaison Group should resume work as soon as possible.

Japanese Foreign Minister Mitsuoka told Foreign Minister Qian that Japan is willing to maintain and continue developing its friendly relations with China. He also said he hopes to visit China. Foreign Minister Qian welcomed this.

While attending the first ministerial level meeting of the Paris international conference on the Kampuchean question, the Chinese foreign minister's activities show that China will uphold its foreign policy of independence and taking the initiative in its own hands, and that China is determined to develop friendly relations of cooperation with various nations on the basis of the Five Principles of Peaceful Coexistence. People are justified in believing that the friendship between China and various nations will surely grow with time.

WHO Grants \$7 Million for Health Care

HK0508041689 Beijing CHINA DAILY in English
5 Aug 89 p 1

[By staff reporter Zhu Baoxia]

[Text] A grant of more than \$7 million will be given by the World Health Organization (WHO) during 1990-1991 to help China develop health care. An agreement to this effect was reached yesterday between WHO and the Ministry of Public Health.

About 43 percent of the budget will be used to train Chinese health personnel and 15 percent on establishing primary health care units across the country, according to Dr S.T. Han, director of WHO's regional office for the western Pacific.

The development of the programmes may help to improve the country's health system and thus create better conditions for further China-WHO co-operation, he added.

The director said that WHO is not hesitant about investing in health programmes in China since they believe the country can do anything it sets its mind to.

He then mentioned that China has seen great progress in medical treatment and primary health care work during recent years.

For example, the incidence of epidemic diseases has been effectively curbed, and the inoculation rate of children has reached 85 percent at provincial level.

Progress has also been made in fields dealing with some chronic diseases.

Dr Han said that China made a good model for other developing countries.

He then stressed the importance of exchanging information and experiences among different countries as well as of the training of personnel.

International TV Festival Set for Beijing

OW0708080689 Beijing XINHUA in English
0710 GMT 7 Aug 89

[Text] Beijing, August 7 (XINHUA)—An international TV festival will be held in Beijing between August 31 and September 6, according to today's BEIJING DAILY.

Sponsored by the Beijing TV station, the week-long TV festival will include 15 TV plays, more than 50 documentaries, cartoons and features provided by 18 TV stations from 14 countries and regions including the Soviet Union, Poland, the Democratic Republic of Germany, Mexico, Pakistan, Yugoslavia, Czechoslovakia, Japan, Korea and Hungary.

The BEIJING DAILY reported that ten countries will send delegations to the festival, which will also have programs from 30 TV stations from all over China.

The opening ceremony will be held at the Great Hall of the People on September 1 and the closing ceremony to be held at the China Opera Theater on September 6 will feature a performance by more than 800 actors and actresses.

The paper reported the festival will also include a quiz show and a "Great Wall" race with 2,500 Chinese and foreign athletes and visits to factories, rural villages, joint ventures and tourist spots.

United States & Canada

Article Attacks U.S. Reporter's 'Objectivity'

HK0708103089 Beijing RENMIN RIBAO in Chinese
6 Aug 89 p 3

[Article by Li Zhong (4539 0022): "China Will Never 'Close Its Door to the World'"]

[Text] It is said that trouble with organs in the human body can very often be seen in the eyes. From the "eyes" of a reporter, in other words, from the way he views things and the question of whether he objectively and fairly reports things or arbitrarily misrepresents things, one can learn of his professional ethics and his dedication to the profession.

China has made universally acknowledged achievements in its reforms and pursuit of the opening-up policy over the past 10 years. Since the counterrevolutionary rebellion in Beijing that was put down 2 months ago, Chinese leaders have repeatedly and solemnly announced: The policy of carrying out reforms and opening the country to the world is correct and must firmly and persistently be implemented. China will never again follow the path of closing itself to the world. All fair-minded foreigners with only a little foresight should be able to see this clearly. Therefore, more and more people in the world have come to understand China and have given it credit for all this.

However "is, day by day, closing its open door," "which has remained open to the world for 10 years." What are his grounds? To base his "judgment" on "ironclad" "evidence," this reporter, after much hard work, has managed to dig up a piece of "evidence": China "has announced the suspension of its procurement of cars from Japan and Europe," "although most of the taxicabs in China carry the hallmarks of these cars."

It seems that this is an attempt to arrive at generalized conclusions on the basis of an individual phenomenon.

However, simply by giving a little thought to the matter people should have no difficulty telling who is right and who is wrong. In trade, all countries, whether they are developed or developing, whether they are big or small, would, depending on their production conditions and the needs of their consumers, decide what and how much to import and what not to import at a particular time. This is not unusual and is not inconsistent with their decisions to continue or discontinue their foreign trade and economic relations. Let us take the importation of cars as an example. It is said that imported cars are rarely seen in India; that it is very difficult for Japanese cars to enter Italy; and that all taxicabs in London are Austins. Can we conclude from this that these countries have closed themselves to the world. Can we, applying this reporter's logic, say that whenever the U.S. Government imposes a ban on the import of a particular product (this frequently happens in the United States), the United States is "closing itself" to the "outside world"?

What merits attention is that this reporter did not stop there, but went on to elaborate on his "discoveries," saying that China "is again closing its door to the world" simply because of its "deep-rooted xenophobia." From this shocking "discovery," he went on to say that if this "hostility toward foreigners grows in intensity," "many of the enthusiastic foreign businessmen working in China will be disheartened." In conclusion, according to the report prepared by this reporter, from now on China "is no place to go!"

However, it so happened that when this reporter published his views, a sensible voice, which is becoming louder and louder, was heard from many parts of the world: "The crackdown on the rebellion is China's internal affair," "China is still a very promising market in the world"....

Contrary to what Mr (Woodlife) said, people have increasingly realized that "China is not gradually closing its door to the world", but that "there are indeed people in the West who, taking advantage of China's quelling of the rebellion, try to wantonly interfere in China's internal affairs in a vain attempt to clog up by means of "sanctions" the channels through which China contacts the outside world. These are the people who are putting pressure on China by blocking its opening to the world. Their plots will never succeed.

Since China's quelling of the rebellion and the restoration of normal order in the country, many "foreign businessmen who are interested in China" have successively returned to continue the execution of agreements signed or to discuss new investment projects. In the first half of this year, there was an increase of more than 20 percent in the volume of Japanese-Chinese trade over last year. According to an article recently published in France's LE MONDE, French enterprises are continuing their construction work in China, some are "negotiating new agreements," and "the senior executives of most French enterprises have returned to China." Not long ago, former U.S. Secretary of State Kissinger published an article voicing his opposition to the sanctions imposed by the U.S. Congress on China, saying that sanctions against China will fail sooner or later. All this undoubtedly represents a sensible attitude and a correct choice.

China's door will always remain open. China has always adhered to the principle of equality and mutual benefit in developing its foreign economic relations and trade. Foreign friends, including all those who are willing to develop economic relations and trade with China and invest money in the country, are reassured that they can make lawful profits. This is mutually beneficial. We hope that reporters stationed in Beijing will respect facts and objectivity, report fairly on China's policy of carrying out reforms and opening the country to the world, and will not do anything to damage the "atmosphere in which China is making contact with foreign countries in various fields."

Voice of America 'False' Reports Published
OW0508073089 Beijing XINHUA in English
0711 GMT 5 Aug 89

[Text] Beijing, August 5 (XINHUA)—The last two issues of the fortnightly "PROPAGANDA PAMPHLET," published by a department of "BEIJING DAILY," contained 31 false news reports on China from the Voice of America from May 15 to June 17.

Today's "BEIJING DAILY" reprinted all 31 of the reports under the title "Exhibit of Rumors From the Voice of America."

"BEIJING DAILY" said it was an exhibit for the public, with free admission and no comments. It asked readers to judge for themselves whether they were rumors.

The following are some of the VOA reports:

June 3—A great number of students and workers blocked soldiers trying to enter Tiananmen Square to drive students away from there. At that time a police car dashed into a crowd of bicyclists, and three people were run over and killed. Demonstrators later acquired some arms and the soldiers had to retreat.

June 5—Chinese soldiers slew prodemocracy demonstrators, the death toll amounting to thousands. Before dawn on Sunday about 1,400 people were killed in the People's Liberation Army's massacre in Tiananmen Square. It is reported that soldiers were heading for Beijing's universities and colleges. The students were all worried about their safety.

June 7—China's top officials may have left Beijing for a safer place. In the evening of June 6 clashes occurred between the 28th, 38th and the 27th Army Corps near the Military Museum of the Chinese People's Revolution.

June 17—The Chinese Government tried to make people believe that not a single person was killed when troops entered Beijing proper.

Qiao Shi Attends Dinner for 'American Friend'
OW0508134389 Beijing XINHUA in English
1328 GMT 5 Aug 89

[Text] Beijing, August 5 (XINHUA)—Sol Adler, an American friend who has been helping China ever since the 1960s, got warm birthday greetings from the Chinese Communist Party today which is his 80th birthday.

At a dinner for Sol Adler and his wife Pat Adler here this afternoon at the Diaoyutai State Guesthouse, Qiao Shi, member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee, expressed his thanks to Mr. Adler for his contributions to the Chinese people's liberation and socialist construction and the friendship between the people of China and the United States.

Deng Yingchao, widow of the late Chinese Premier Zhou Enlai and a Chinese veteran, sent Sol Adler a basket of fresh flowers and wished him a happy birthday.

As an old friend of China, Mr. Adler began to pay great attention to the destiny of the Chinese people as early as in the 1930s.

Since the 1940s, he has sympathized with and supported the Chinese people in their struggle against imperialism and for liberation, which is led by the Chinese Communist Party.

Following the founding of New China, Mr. Adler visited the country many times and has actively told the world about New China in an objective way and has done a lot in helping other countries to understand New China.

In the early 1960s when China was suffering from temporary difficulties, Mr. Adler, cherishing a profound friendship for the Chinese people and having a firm confidence in socialism, resolutely decided to come to China and settle down here, directly taking part in and helping China's socialist construction.

Sharing weal and woe with the Chinese people and being well versed in international economics and politics, Mr. Adler has in the past decades put forward many valuable suggestions and proposals with regard to China's economic construction and foreign affairs work, contributing a lot to China's socialist construction.

He also took part in rounding off and finalizing the translations of works by Chinese proletarian revolutionary veterans and important documents of the Chinese Communist Party and Government, promoting the world people's understanding of the Chinese revolution and construction.

Roundup Cites U.S. Role in Mideast Situation
OW0708010289 Beijing XINHUA in English
2357 GMT 6 Aug 89

["Roundup: U.S. Urged To Push Forward Peace Process in Mideast Tour (by Li Sizhi)"]—XINHUA headline]

[Text] Cairo, August 6 (XINHUA)—The United States has been urged to push forward the Middle East peace process as U.S. envoy John Kelly toured Israel and Egypt.

Kelly, assistant secretary of state for Middle East affairs, told reporters in Cairo today at the end of his three-day visit that he had a "valuable exchange" of views on the Middle East issue with Egypt's Foreign Minister Ahmad 'Ismat 'Abd al-Majid and Minister of State for Foreign Affairs Butrus Butrus Ghali.

In a statement issued after the talks, 'Abd al-Majid said Egypt urged Israel to end occupation of the Arab territories and accept the principle of land for peace.

He said his talks with Kelly underlined the importance of putting an end to Israeli oppressive practices against Palestinians in the occupied lands, which are an obstacle on the road to peace in the region.

After the talks, Ghali said both sides have "agreed on the necessity of continued dialogue and intensifying contacts and efforts...so we can keep the momentum of efforts trying to reach a final solution of the Palestinian issue."

Kelly came to Cairo after a visit to Israel where he met with Prime Minister Yitzhaq Shamir and other Israeli officials. He also met with 13 Palestinian leaders on Thursday when he reportedly urged them to take advantage of the "golden opportunity" presented by Israel's peace initiative.

But the Palestinian leaders reportedly complained to Kelly that talks between the U.S. and the Palestine Liberation Organization in Tunis were moving at a slow pace and lacked substance.

These Palestinians, who included doctors, lawyers and other prominent professionals, presented a petition noting that the U.S. endorsed an Israeli peace initiative but not the one by the PLO which calls for an independent Palestinian state.

Israel proposed letting the 1.7 million Palestinians in the occupied West Bank and Gaza Strip elect representatives to negotiate some form of limited self-rule.

The petition appealed to the U.S. to implement "its land-for-peace policy by actively seeking an end to the Israeli occupation of the territories seized in 1967."

"We view with the greatest seriousness the lack of even-handedness and objectivity in the U.S. response," it noted.

The petition said: "The so-called Israeli peace initiative is an attempt at simultaneously negating Palestinian national rights and identity, circumventing legitimate representation and leadership and sidestepping the central issues of the conflict."

After the talks, Radwan Abu Ayyash [name as received], head of the Arab Journalist Association, said they told Kelly that "nothing could happen here without PLO approval and that Israel must be convinced to accept the American-backed concept of land-for-peace."

However, Kelly responded by saying that "it is up to the Palestinians and Israelis to offer proposals acceptable to each other."

Kelly's visit coincided with the opening of a general congress of the Fatah Movement, the largest group in the PLO.

Addressing the congress, PLO Chairman Yasir 'Arafat again rejected the Israeli election plan in its present form, saying Israel's real motives were to sabotage the peace process.

Kelly left for Jordan later today to complete his first three nation Middle East tour of exploring Arab-Israeli peace prospects. He may find himself faced with more demands in Amman that Washington reappraise its pro-Israel stance, political analysts here say.

Soviet Union

Agreements Follow Dalian Trade Talks

SK0708054189 Shenyang Liaoning Provincial Service
in Mandarin 0930 GMT 6 Aug 89

[Text] As was learned today from an economic and trade talk with the Soviet Union on building materials and equipment, which is being held in Dalian, representatives from nearly 200 building material, commercial, and township enterprises in Dalian City participated in economic and trade talks in the past 2 days. By the time this news item was dispatched, the Soviet and the Chinese sides had signed 23 agreements on joint ventures and cooperation projects, barter trade, labor service export, and construction projects.

These fair-sized economic and trade talks, held in Dalian for the first time, is cosponsored the Dalian International Economic and Technological Cooperation Company, the Dalian Department Store, and the Dalian City Township Enterprise Bureau under an agreement reached by the Dalian International Economic and Technological Cooperation Company and the State Committee for Construction Affairs of the Soviet Union. A 14-member economic and trade delegation from the State Committee for Construction Affairs of the Soviet Union arrived in Dalian on 4 August, bringing samples of 45 kinds of goods, most of which are new building materials and technology with a high reputation in the world market.

The trade talk officially opened at the southern building of the Dalian Department Store yesterday morning. Gao Guozhu, vice mayor of Dalian City, and (Ke A Demishev), leader of the delegation and general director of the Science and Technology Bureau of the State Committee for Construction Affairs of the Soviet Union, cut the ribbon for the opening.

Since China and the Soviet Union developed local trade, Dalian has received more than 30 delegations from the Soviet Union. So far, it has established direct ties with the economic and trade organs and production enterprises of the various ministries and committees of the Central Government of the Soviet Union, the five republics (adjoining China), and some dozen oblasts and cities; and signed more than 100 contracts and agreements on construction, joint ventures and cooperation projects, barter trade, and labor service cooperation, and has put them into effect one after another.

Vice Minister Views Sino-Soviet Cooperation

OW0708050089 Moscow International Service
in Mandarin 0200 GMT 5 Aug 89

[Remarks by Tang Zhongwen, Chinese vice minister of the machine-building and electronics industry, during an interview with Moscow Radio reporter Glebov—date and place of interview not specified; first paragraph is announcer introduction]

[Text] During his official visit to the Soviet Union as a member of a Chinese Government science and technology delegation, Comrade Tang Zhongwen talked with

Soviet representatives about prospects for developing cooperation between the two countries, and exchanged experience in this regard. While visiting Moscow, Leningrad, [words indistinct], Khabarovsk, and [words indistinct], Tang Zhongwen became acquainted with the Soviet Union's actual situation and the progress of its reform program. With regard to the results achieved and the impression he gained on his visit to the Soviet Union, he said:

[Begin Tang recording] As a representative of the Ministry of Machine-Building and Electronics Industry, I have had the opportunity to join the Chinese science and technology delegation and come to Moscow to participate in both the exhibition of science and technology and the month of science and technology activities in Moscow. During this period, we have visited some Soviet cities and met leaders at the central level of various localities. I think these activities are helpful to the enhancement of mutual understanding, the encouragement of each other, and the promotion of future economic and technological cooperation and trade relations between the two countries.

The most intensive impression I have gained when visiting various localities is that the Soviet Union adheres to its independent policy in developing its economy. Although it is developing external ties, it has done a lot of work in developing its own economy. In order for a big country to do this, I think it must have a big domestic market. First and foremost, a country must rely on its own efforts to develop the economy. Of course, we should develop international cooperation, through which we can further develop our own economy. However, if the domestic economy is not well developed, it is impossible to achieve success in developing international cooperation. The more domestic economic strength that is possessed, the greater the capability to develop an international economy. I am deeply impressed by what the Soviet Union has done in this regard.

The second impression is that, after visiting various places, I feel the Soviet Union is doing a superb job in conducting patriotic education. In many localities there are tombs and monuments in memory of World War II. These are used to educate young people about patriotism and to stir up their zeal to love their country and safeguard peace.

Another impression is that in educating young people, the Soviet Union encourages them to respect labor as well as advanced and model workers. You can see honor rolls of advanced and model workers here and there in the Soviet Union. These honor rolls are put up not only within various units, but also on the streets. The purpose is to call on people to emulate the examples of these advanced and model individuals. This has also left me with a deep impression.

During our visit, we have met some leaders of Soviet industrial departments. We have found many new things in the scientific research departments and enterprises of the Soviet Union. They have many achievements worth learning. We know, of course, that we also have some achievements that can be exchanged with the Soviet Union. Through our talks with leaders of the enterprises concerned, we have seen that there are great possibilities and wide areas for cooperation in electric power equipment, electronics products—especially electronics products for household use—and light industry. Both sides expressed willingness to conduct cooperation in these fields.

Because of our relatively short stay here, we could not hold talks in great depth in all these fields. However, the meetings, contacts, and mutual understanding between the two sides have laid a foundation and established links for further development our cooperation in the future. We hope that after this visit and the establishment of contacts, our cooperation in the fields of science and technology, economics, and trade will develop further in the days to come. Thank you. [end recording]

Jilin Deputy Secretary Fetes Delegation

SK0708033389 Changchun Jilin Provincial Service in Mandarin 2100 GMT 5 Aug 89

[Text] At the invitation of the Yanbian Korean Nationality Autonomous Prefecture and accompanied by (Yan Fengtuo), secretary general of the Yanbian Prefectural CPC Committee, a six-member delegation from Ussurijsk City of the Soviet Union's Maritime Region, headed by (Mikheylovich), visited Changchun on 4 August.

On that evening at Changbaishan Guesthouse, Gu Changchun, deputy secretary of the Jilin Provincial CPC Committee, met with and feted the delegation.

Gu Changchun introduced to the Soviet guests our country's policies on opening to the outside world and reforms, warmly welcomed them for their visits, and also introduced our province's situation to them.

(Mikheylovich) pledged to vigorously strengthen the mutual economic contacts and the cooperation in other fields.

Liang Jichang, vice chairman of the provincial foreign affairs office, accompanied the delegation to visit a passenger train plant and the Changchun film studio.

The delegation left for Yanbian by plane on the morning of 5 August.

Chita Oblast Delegation Visits Hohhot
SK0408131589 Hohhot Inner Mongolia Regional
Service in Mandarin 1030 GMT 2 Aug 89

[Text] A five-member delegation from the Soviet-China Friendship Branch Association of Chita Oblast of the Soviet Union led by (Viktor Ivanovich Locof), vice president of the association, concluded its visit to Hohhot of our region and left for Hailar today by plane.

The delegation arrived in Hohhot on 29 July. This is the fourth visit of the association and also the first delegation from that association to visit our region since the relations of the two countries were normalized after the China-Soviet high-level meeting. During its stay in Hohhot City, the delegation toured the Zhaojun tomb, visited the vegetable fields and specialized breeding households in (Qiancaobao) village, the Inner Mongolia No 4 Woolen Mill, and a television plant. The delegation also held get-togethers with the autonomous regional committee of the Communist Youth League and youth federation.

On the evening of 31 July, Wen Jing, vice chairman of the autonomous regional government, met with and feted all the members of the delegation at the Neimenggu Hotel. At the meeting, Wen Jing said: Yours is the first delegation to visit our region after we suppressed the counterrevolutionary rebellion in the capital. We extend our warm welcome to you. We wholeheartedly hope that Inner Mongolia and Chita Oblast will further develop their cooperation in the economic and cultural fields and continuously promote their friendship.

(Viktor Ivanovich Locof), leader of the delegation, expressed thanks to relevant department of the autonomous region for their hospitality.

Shanghai To Build 'Chinese Village' in Leningrad
HK0608053089 Hong Kong TA KUNG PAO in Chinese
6 Aug 89 p 2

["Special Dispatch": "Shanghai Undertakes Contract to Build 'Chinese Village' in Leningrad"]

[Text] Shanghai, 5 Aug—A "Chinese village" will be built in Leningrad in the Soviet Union. Today the Shanghai foreign economic and technological cooperation company and Leningrad City signed an agreement on firming up the design scheme and the general contract for constructing the "Chinese village" tourism center.

The planned "Chinese village" will be located at Pushkin City of Leningrad and will cover an area of 20,000 square meters. About 1 million visitors will come each year.

Construction Leads Heilongjiang-USSR Contracts
SK0408130689 Harbin Heilongjiang Provincial
Service in Mandarin 2100 GMT 3 Aug 89

[Text] Our province has made a new breakthrough in the economic cooperation with the Soviet Union. In the first half of this year, the province signed 77 contracts with the Soviet Union on economic and technical cooperation, which are worth 86.565 million Swiss francs and shows a large-scale increase over the same period of 1988.

Of these 77 cooperation contracts, 35 are for construction projects, 25 are for providing labor forces, 16 are for processing products with materials provided from abroad, and one is for repairing ships.

Cargo Ship Arrives in Heilongjiang City
OW0408121789 Beijing XINHUA in English
1200 GMT 4 Aug 89

[Text] Harbin, August 4 (XINHUA)—A Soviet cargo ship arrived in Harbin, capital of Heilongjiang Province, and received warm welcome from the local people today.

This is the first Soviet cargo ship from Khabarovsk, a port city in the Soviet Union, to this industrial city after China and the Soviet Union resumed relations between the two parties and the two countries. It also marks a new stage of the Sino-Soviet border trade.

The ship carried 229 tons of chemical fertilizer to the city.

It is learned that a ceremony to deliver a luxury ship made by the Harbin Shipyard to the Soviet Union will be held on August 10.

Northeast Asia

Japanese Threatened for 'Conniving' With Li Peng
OW0508091989 Tokyo KYODO in English
0900 GMT 5 Aug 89

[Text] Shanghai, Aug 5 (KYODO)—Letters faxed to Japanese firms here threatened to kill Japanese with guns stolen from the Army, the Japanese Consulate General in Shanghai said Saturday.

The letters written in Chinese and signed by the "Blood Beam Suicide Squad," charged that selfish Japanese corporations are seeking their own profits in connivance with the government of Premier Li Peng.

The letters demanded that Japanese nationals leave Shanghai before September 15 or they will be killed.

They advised Japan not to participate in the Asian games to be held in Beijing next year.

Consulate officials said they have asked Chinese public security authorities to take measures to ensure the safety of Japanese nationals although they said the letters seem to be a prank by elements displeased with the government.

Similar threats were sent by mail earlier to Japanese diplomatic missions in Shenyang and Hong Kong and to the Japan Air Lines' office in Beijing.

DPRK Delegations Meet Local Officials

Party Talks Held in Beijing

OW0408140389 Beijing XINHUA in English
1350 GMT 4 Aug 89

[Text] Beijing, August 4 (XINHUA)—Zhu Liang, head of the International Liaison Department of the Chinese Communist Party Central Committee, and Kim Yong-sun, head of the International Department of the Central Committee of the Korean Workers' Party, held talks here today.

Both exchanged views on relations between the two parties and issues of common concern.

In the evening, Zhu gave a dinner for Kim, who arrived at Beijing this afternoon at invitation of his Chinese counterpart.

Scientific Group Visits Jilin

SK0708033989 Changchun Jilin Provincial Service
in Mandarin 2100 GMT 5 Aug 89

[Text] At the invitation of Song Jian, minister of the state science and technology commission, an eight-member scientific and technological delegation of the DPRK, headed by Yi Cha-pang, chairman of the state science and technology committee, visited our province from 2 to 4 August.

On the evening of 3 August, Wang Zhongyu, governor of Jilin Province, met with and feted all comrades of the delegation.

On the afternoon of 4 August, the delegation left for Heilongjiang Province by train.

Chagang Team Leaves Jilin

SK0708033589 Changchun Jilin Provincial Service
in Mandarin 2100 GMT 5 Aug 89

[Text] At the invitation of the Jilin Provincial Government, a 60-member scientific and technological inspection group of the DPRK's Chagang Province, headed by (Son Chong-ha), chairman of the provincial science and technology committee, returned home via Jian on 5 August after satisfactorily winding up its 11-day inspection tour in our province.

During its stay in our province, the inspection group visited and inspected plants, rural areas, schools, and scientific research departments in Changchun, Jilin, Tonghua, and Jian areas; and was warmly received by the local science and technology commissions and local units.

New Anticancer Drug Set for Japanese Market

OW0708103289 Beijing XINHUA in English
0939 GMT 7 Aug 89

[Text] Beijing, August 7 (XINHUA)—China is going to market a new drug in Japan that is believed to be able to alleviate the sufferings of cancer patients.

"851" superbeverage, which contains amino acids and trace elements necessary for the human body in improving immune reaction, was invented by Professor Yang Zhenhua, a research fellow from the Living Things Engineering Research Center of Zhongshan University.

Last month, with the approval of the Japanese Ministry of Health, China Zhenhua General Corporation of 851 bioengineering research and development signed a contract worth 1.5 million U.S. dollars with a Japanese firm.

"The beverage is indeed effective to a certain degree for killing cancers," observed Professor Wang Deyao, director of the Anticancer Research Center of Xiamen University.

Professor Yang Zhenhua, a well-known inventor in China, won the Yorica Gold Medal and the First-Grade Knight Medal of the Belgian king at the 36th Brussels International Invention Fair in 1985.

Near East & South Asia

Foreign Ministry Denies Missile Sale to Syria

HK0708064489 Hong Kong AFP in English
0629 GMT 7 Aug 89

[Text] Beijing, Aug 7 (AFP)—China denied Monday a report in a Middle East newspaper that it has sold medium-range missiles to Syria capable of striking Israeli soil.

"The report is groundless," a Foreign Ministry spokesman said.

AL-ITTIHAD, an Abu Dhabi newspaper, said July 31 that China had signed an agreement with Syria on May 18 to supply an unspecified number of M-9 medium-range missiles.

The deal was made after Syria failed to acquire SS-23 missiles from its chief arms supplier, the Soviet Union, it said.

With a range of 600 kilometers (375 miles), the M-9 could easily strike any target inside Israel if fired from Syria, defence experts said.

Last year the United States expressed "deep concern" about reports that Beijing was preparing to sell M-9's to Syria. Later it accepted a Chinese pledge to act responsibly when selling missiles abroad.

China last year acknowledged selling DF-3 missiles to Saudi Arabia capable of striking Israel with nuclear warheads, but it repeatedly denied selling Silkworm anti-ship missiles to Iran during the Gulf War.

XINHUA Surveys Lebanon Situation

Roundup on 'Impasse'

OW0508051789 Beijing XINHUA in English
1421 GMT 4 Aug 89

["Roundup: Lebanon's Tragedy To Get Worse"—XINHUA headline]

[Text] Cairo, August 4 (XINHUA)—Lebanon's already grave tragedy is going to get worse as the setback of the tripartite Arab committee on Lebanon might plunge the war-torn country more deeply into violence and uncertainty.

The committee, set up at the Casablanca Arab Summit in Morocco in May and assigned to settle the Lebanese crisis by November, declared Tuesday that its peace mission had reached an impasse mostly because of Syria's unwillingness to cooperate.

The committee announced the deadlock after a meeting in Algeria among the foreign ministers of the committee's three member countries—Morocco, Saudi Arabia and Algeria.

Syria keeps 35,000 troops in Lebanon under an Arab League 1976 peace-keeping mandate.

The Syrian forces and their Moslem allies in Lebanon have been battling the Christian army led by General Michel Aoun in the latest round of fighting since March 8, two days after Aoun blockaded ports run by Syrian-backed Moslem militia south of Beirut to recoup 100 million U.S. dollars in lost customs dues annually.

The tripartite Arab committee suspended its peace mission amid intensifying shelling battles between Syrian and Christian gunners in and around Beirut over the past week.

The committee expressed deep sadness and indignation over the deteriorating situation in Lebanon, saying, "The blind bombardment" in recent days around east and west Beirut were, as before, aimed at both the citizens of Lebanon and the mission of the committee.

Sources close to the tripartite committee attributed the panel's failure to the long-standing differences between Syria and Iraq, the difficulties in reaching an agreement among Lebanese rival factions on a ceasefire and the Israeli occupation of south Lebanon.

Syria, considered a major hurdle impeding a ceasefire in Lebanon, has rejected the committee's call to lift its nearly five-month-old sea blockade on the Christian enclave as a first step toward a comprehensive settlement.

It insists instead on linking the lifting of the blockade with Iraq's suspension of arms shipments to the Christian troops.

But Iraq, staunch supporter of the Christian army, refuses to do so unless Syria withdraws its troops from Lebanon, a condition shared by the Christian side for a ceasefire.

The Christians contend that Syria has betrayed its peace-keeping mission by siding with the Moslems in Lebanon and therefore should withdraw its troops from the country.

Another condition set by Syria for a ceasefire is the resignation of Christian Army Commander General Michel Aoun as leader of the Lebanese interim government.

Syrian President Hafiz al-Asad has reportedly told the three foreign ministers of the committee that Syria will not accept Aoun as a negotiator on behalf of the other party.

The setback of the tripartite committee raised growing concern that the impasse could generate the effective partitioning of Lebanon after a so-called internationalization of the conflict or foreign intervention in the country.

Salim Hos, acting prime minister of Lebanon's Moslem cabinet, warned that Lebanon is now facing the option of "to be or not to be," meaning life or death. He called on the tripartite Arab higher committee to resume its mediation.

The worsening situation in Lebanon prompted some Arab countries to call for a urgent Arab summit to save Lebanon from "losing its sovereignty, independence, national unity and territorial integrity."

In a last-ditch effort to salvage its peace mission, the tripartite Arab committee has set a one-or-two-year deadline for Syria to withdraw its troops from Beirut and its surrounding areas to the Bekaa Valley near Syria's border.

The committee also called for a timetable for the establishment of a government of national reconciliation in Lebanon with its own forces to secure stability and peace in the country.

But Syria refuses to have a timetable for its troop withdrawal.

Analysis Considers Violence

OW0608081789 Beijing XINHUA in English
1807 GMT 5 Aug 89

["News Analysis: Lebanon Under Threat of Spiraling Violence (by Shui Junyi)"]—XINHUA headline]

[Text] Cairo, August 5 (XINHUA)—Most of the 4 million Lebanese are caught up in one of the most horrible tragedies as their tiny country has been pushed into spiraling violence in the 14-year-old civil war and has become a storm center of a hostage crisis during the past week.

The announcement on Tuesday of an impasse in the peace-making efforts by a three-member Arab League foreign ministers committee has dimmed the lingering prospects of a possible solution to the nearly five-month-old heavy barrages of artillery and rockets in and around Beirut.

The ministerial panel is under an Arab higher committee of the bids of Morocco and Saudi Arabia and the president of Algeria formed at the Casablanca Arab Summit in May to handle the Lebanese issue.

Reports about the position of the panel show that it attributes its setback to several factors, including hostility between Syria and in Iraq, Israeli occupation of south Lebanon and strife among internal factions that undermines the Lebanese ability to reform the sectarian political system.

The foreign ministers also estimate that the setback of the panel could generate an effective partition of Lebanon by a so-called internationalization of the conflict or foreign intervention in Lebanon.

Ferocious artillery duels between Lebanese Christian forces and Syrian troops stationed in the country under a 1976 Arab League peace-keeping mandate have already forced nearly 1.3 million of the original 1.5 million population in Beirut to desert the "ghost city."

A total of 516 people, most of them civilians, have been killed and 2,183 wounded in the current fighting that first flared up on March 8 between Christian forces and Syrian troops and their Lebanese Druse Muslim militia allies.

On Tuesday, Christian Army Commander General Michel Aoun declared a "popular liberation revolt" against Syrian troops "in every city, village, street and house," raising fears that more violence might break out.

The deteriorating situation prompted some Arab countries to call for an urgent Arab summit to save Lebanon from "losing its sovereignty, independence, national unity and territorial integrity."

The Arab mediation committee has been urged to continue its efforts to resolve the crisis despite the difficulties it is facing and all parties concerned have been urged to cooperate with the committee.

The tragic backdrop in Lebanon has led to the taking of Western hostages and the hostage crisis was reprovoked when Israel kidnapped a pro-Iranian Shiite leader, Abd-al-Karim 'Ubayd, in south Lebanon.

An American hostage was said to have been killed immediately afterwards in retaliation against Obeid's kidnapping. A radical Muslim group has threatened to kill another American hostage.

The hostage crisis has not only brought Lebanon into the limelight but also under military threats against hostage-holding groups in this Mediterranean coastal country.

The convergence of U.S. battleships on the eastern Mediterranean was reported. Israel, which occupies a 10-to-16-kilometer "security belt" in south Lebanon following its invasion in 1982, had also reportedly planned a land-sea-air strike against south Lebanon.

Many quarters, including American officials, were holding Israel responsible for triggering this fresh round of violence by kidnapping the Shiite cleric. This incident raised a considerable doubt of whether Israel was pursuing a resolution of the hostage issue.

Over the past 14 years, Lebanon has remained an explosive hot spot in the Middle East. It is still not clear how long such a dangerous situation would continue and when peace and tranquillity would be brought to the region.

Sub-Saharan Africa

Qian Qichen Continues Official Visit to Zimbabwe

Opposes Western 'Interference'

OW0408152689 Beijing XINHUA in English
1501 GMT 4 Aug 89

[Text] Harare, August 3 (XINHUA)—Visiting Chinese Foreign Minister Qian Qichen expressed here today opposition to some Western countries' interference in other's internal affairs.

The Chinese foreign minister made the remarks when meeting Zimbabwe Acting Foreign Minister W. Mangwende, according to his entourage.

Qian said that there is no change in the present international situation which is seeing a trend of detente and dialogue. But it is worth while to note that some Western countries are trying to interfere in other's internal affairs.

He pointed out the trend, especially the relaxation of tension between the United States and the Soviet Union, enabled the East and the West to ease their tension and the conflicts in the "hot spots" to cool down. But fundamental contradictions and tensions in the world have not been eliminated.

Therefore, it is important to be vigilant over some Western powers' infiltration and interference in other countries' affairs by taking advantage of the problems arising from their reforms and developments, Qian said.

However, Qian promised that China will not change its settled policies. It will continue to pursue its foreign policy of peace and independence, to keep its door open to the outside world, and will never return to isolation again.

He said that China is not afraid of foreign pressure, nor will it yield to it. It will go its own way to build China into a socialist country with Chinese characteristics.

The Chinese minister said China upholds that countries with different social systems, traditional cultures and values, cooperate with each other on the basis of the Five Principles of Peaceful Coexistence, and establish a new international political order.

The Zimbabwean minister agreed with Qian's viewpoints and said Zimbabwe fully understands China's position towards some Western countries which try to interfere in China's internal affairs.

On bilateral relations and southern African issues, Mangwende hoped that China, as a permanent member of the United Nations Security Council, would further play its role in seeking a solution to the southern African problems.

Issues Statement on Southern Africa

OW0408193189 Beijing XINHUA in English
1841 GMT 4 Aug 89

["China Supports Correct Policies, Tactics Adopted by Southern African People"—XINHUA headline]

[Text] Harare, August 4 (XINHUA)—Visiting Chinese Foreign Minister Qian Qichen said here today China supports the correct policies and tactics adopted by the southern African people in light of the realities in their respective countries and the region as a whole.

In a four-point statement on the situation in southern African region and China's basic positions on the resolution of the region's problems, which was issued here this afternoon at a press conference, the Chinese foreign minister said: "Today, the southern African countries and people, who face more encouraging prospects for peace, are continuing to solve the problems related to this region by various means such as negotiation and dialogue."

"Nevertheless, it must be pointed out that tension and turbulence are yet to be removed. Economic problems loom ever large. The struggle for and against control, threat and subversion is still going on. The struggle for durable peace and stability in southern Africa, which is an arduous one, still calls for unremitting endeavour," Qian said.

He said that the Chinese Government and people highly appreciate the efforts made by the southern African people towards a political settlement of their regional problems and will, as always, firmly support the correct policies and tactics they adopt in light of the realities in their respective countries and in the region as a whole.

The Chinese foreign minister described South Africa's apartheid system as "the biggest source of turbulence" in the region.

He said that faced with the resolute struggle by the South African people and the pressure from the international community, the South African authorities have changed somewhat their tactics in terms of domestic and foreign policies.

"But, on the fundamental issue of abolishing apartheid, they have adopted no substantive policies or measures," he said.

He called on the South African authorities to "get a clear view of the situation, and in conformity with the historical tide, adopt enlightened policies and renounce apartheid and all laws and decrees of a racially discriminatory nature."

He also called for the unconditional release of the jailed ANC [African National Congress] leader Nelson Mandela and other political prisoners and recognition of the national liberation organizations in South Africa such as the African National Congress (ANC) and Pan-Africanist Congress (PAC), with whom they should hold dialogues on the "establishment of a unified, democratic and free South Africa where all races enjoy equality".

Holds Harare News Conference

OW0508181889 Beijing XINHUA Domestic Service
in Chinese 1530 GMT 5 Aug 89

[Report by XINHUA reporter Zhang Jinglei and REN-MIN RIBAO reporter Li Jingwei; "Local Broadcast News Service"]

[Text] Harare, 5 Aug (XINHUA)— Chinese Foreign Minister Qian Qichen pointed out at a news conference here today: It is dangerous that some Western countries are formulating their policies toward China based on distorted reports and wrong information.

Qian Qichen said that he met with the foreign ministers of major Western nations when he was attending the international conference on the Cambodian issue in

Paris. Although those countries recently announced the suspension of high-level contacts with China, their foreign ministers took the initiative in requesting meetings with him in Paris. The meetings were conducive to promoting understanding.

Qian Qichen said that he had pointed out during those meetings that it is inadvisable to formulate policies toward China based on distorted reports concerning China's affairs, or on impulse. It is not strange that some people in foreign countries are unhappy or have a misunderstanding about what has happened in China. However, a government should formulate its policies based on facts.

Qian Qichen said: Of the 137 countries that maintain diplomatic relations with China, only about 20 reacted to the event that happened in China. Most countries, including African countries, Asian neighbors, Latin American countries and socialist countries, regard it as China's internal affair which foreign countries should not interfere with.

Qian Qichen emphasized: China's foreign policy and its policy of reform and opening to the outside world have not changed. China is willing to establish and develop friendly and cooperative relations with all countries in the world on the basis of the Five Principles of Peaceful Coexistence. Such relations of course require joint efforts made by both sides. But one thing is certain—sanctions against China are of no use.

Regarding the purpose of his current visits to six southern African nations, Qian Qichen said that while positive changes are taking place in the situation in southern Africa, he came to the region to get firsthand information and at the same time to clearly express the support of the Chinese Government and people for the just struggle waged by the people in southern Africa to seek independence and oppose apartheid.

Answering a reporter's question on whether China will establish certain contacts with South Africa, Qian Qichen said: China has never made any official contacts with South African authorities. Some South African tourists want to visit China, some people of Chinese descent in South Africa want to visit their relatives in China, and some South African scientists want to attend international science symposiums held in Beijing. In such cases, China cannot deny their entry.

On how to completely settle the Cambodian issue, Qian Qichen said: Complete settlement of the Cambodian issue means the withdrawal of all foreign troops from Cambodia. At the same time, the consequences of foreign invasion should also be eliminated. In other words, it is necessary to prevent a civil war after the withdrawal of foreign troops. A national reconciliation should be achieved and a four-party coalition government under the leadership of Prince Sihanouk should be established. This is the position taken by most nations participating

in the international conference in Paris, including China. He said that China hopes Cambodia will become an independent, neutral and nonaligned country.

Leaves Zimbabwe for Angola

OW0608072689 Beijing XINHUA in English
0651 GMT 6 Aug 89

[Text] Harare, August 5 (XINHUA)—Chinese Foreign Minister Qian Qichen left Harare for Luanda, capital of Angola, this evening after concluding a three-day visit to Zimbabwe.

In a brief statement before his departure at Ohe Airport, Qian Qichen expressed satisfaction with the result of the visit.

He said identical views on the southern African issue were reached in his talks with President Robert Mugabe and other Zimbabwean leaders.

The Chinese minister also said that he was impressed by the successes achieved by Zimbabwe in her efforts to safeguard national independence and to develop economy.

The Chinese foreign minister came to Zimbabwe as part of his six-nation tour of southern Africa which has already brought him to Botswana and Lesotho, and will bring him to Angola, Zambia and Mozambique.

Wang Jifu, Delegation Received by Mali President

OW0508083289 Beijing XINHUA in English
0629 GMT 5 Aug 89

[Text] Bamako, August 4 (XINHUA)—Malian President Moussa Traore received a Chinese cultural delegation led by Chinese Vice-Minister of Culture Wang Jifu at the Palace of People today.

Traore asked Wang to convey his best wishes to the Chinese leaders, while Wang praised the president for his contributions in reinforcing Sino-Malian ties and in solving various disputes in Africa.

The Chinese delegation met earlier with Mali's minister of sports, arts and culture, Bakary Traore, and minister of information and telecommunications, Niamanto Diarra.

The delegation will leave Saturday for Niamey, Niger.

Zambian Premier Pleased With 'Stable' Situation

OW0408114889 Beijing Domestic Service in Mandarin
1600 GMT 2 Aug 89

[Text] Alex Shapi, acting premier and secretary of state for defense and security of Zambia, said when receiving a Chinese Government delegation on 31 July that he was pleased to know that the situation is stable in the Beijing area. He also expressed his support for the position adopted by the Chinese Government during the quelling of

the counterrevolutionary rebellion. He said that only the CPC can stabilize the situation, only the CPC can uphold unity and again, it is only the CPC that can realize the wishes of the people and bring real benefit to them.

Togo's President Eyadema Supports PRC Actions
OW0508100589 Beijing XINHUA in English
0122 GMT 5 Aug 89

[Text] Lome, August 4 (XINHUA)—President Gnassingbe Eyadema of Togo said today that China's actions in early June to suppress revolt were called for within the frame of the interior affairs of a sovereign state.

Meeting with Chinese Ambassador Li Peiyi in the presidential palace this morning, Eyadema said that every country experiences events such as the political turmoil in Beijing and has the right to take necessary measures.

According to the U.N. Charter, no country has the right to interfere into the domestic affairs of another, he said.

During the meeting, Ambassador Li told Eyadema in detail how the student pro-democracy movement degenerated into turmoil and then into a counter-revolutionary rebellion.

Li also said that the Chinese Government wants to work with Togo to implement as quickly as possible the economic cooperation agreement signed during Eyadema's visit to Beijing in April.

Eyadema praised China's progress in recent years, saying that people can see many new buildings everywhere in Beijing and Tianjin, where he toured during his visit to China.

West Europe

Sino-Portuguese Conferees Praise Macao Meeting
OW0508062189 Beijing XINHUA in English
0546 GMT 5 Aug 89

[Text] Lisbon, August 4 (XINHUA)—The heads of the delegations to the Sino-Portuguese joint liaison group's fifth meeting, which ended here Thursday, called the meeting successful and said it achieved active results.

Chinese Ambassador Kang Jimin and Portuguese Ambassador Carlos Alberto Simoes Coelho made the remarks at the airport today before the Chinese delegation left for home.

A communique from the group Thursday said that evident progress was made on Macao's participation in the international maritime organization and the general agreement on tariffs and trade.

Kang said that information was also exchanged on the localization of public servants and the official position of the Chinese language.

Since the agreement reached at the group's last meeting on these issues, the governor of Macao has taken some measures, such as deciding to use both Chinese and Portuguese on documents and forms, Kang said.

The Chinese ambassador stressed that the meeting was conducted in a frank, friendly and cooperative atmosphere.

Coelho, who was at the airport to see the Chinese delegation off, said the meeting was well done and achieved active results.

He also expressed his wish to cooperate closely with his Chinese colleagues and to promote stability and prosperity in Macao.

East Europe

Vacationing Romanian Officers Visit Nanjing
OW0508114689 Nanjing Jiangsu Provincial Service
in Mandarin 0915 GMT 2 Aug 89

[By station correspondents (Qian Hongnan) and (Cao Jianping); from the "News" program]

[Text] A vacationing group of Romanian military officers headed by Major General (Kedeleyescu) visited an infantry division of the Nanjing Military Region today in the company of Zhang Shuyun, deputy chief of staff of this Military Region. This division has received some two dozen Romanian delegations since 1971.

Division Commander (Zhang Shucai) briefed the Romanian comrades-in-arms on the history of his division and its work in military and political training.

Maj Gen (Kedeleyescu) said in a speech delivered on the occasion: Your unit is one with a glorious history and great feats. You have played a significant role in socialist modernization. We wish to congratulate you on this. The Chinese People's Liberation Army has demonstrated its fine quality in putting down the recent counterrevolutionary rebellion in your capital.

Then, the vacationing group of Romanian military officers visited the 6th company of a regiment and saw the beat [as heard] and clean state within its barracks. The group also visited the company's supply and service center.

On the training ground, the Romanian comrades-in-arms watched demonstrations of individual infantrymen's combat training and a live-ammunition firing practice. Under the scorching sun, the demonstrating commanders and fighters took turns shooting with light and heavy weapons, making good scores. While watching the demonstrations, Major General (Shijiaopu), member of the vacationing group, who is the commander of a mechanized division, said: Your military training and firing demonstrations are really outstanding. The fine quality of commanders and fighters of a unit depends on individual training. Individual training is a common feature of the armies of our two countries.

During their stay in Nanjing, these distinguished guests from Romania visited the Yuhuatai Memorial Hall, the Chang Jiang Bridge, and the Nanjing Radio Plant. They also toured cultural and shopping districts around the Fuzi Temple and some famous places of scenic beauty.

Latin America & Caribbean

NPC Vice Chairman Meets Paraguayan Visitor

OW0508110789 Beijing XINHUA in English
1026 GMT 5 Aug 89

[Text] Beijing, August 5 (XINHUA)—Xi Zhongxun, vice-chairman of China's National People's Congress Standing Committee, met with here today Rafael Saquier, secretary in charge of international affairs of the Authentic Radical Liberal Party of Paraguay.

Xi expressed his appreciation and thanks to Rafael for what he had done in promoting the relations between the two countries. The Chinese leader also expressed his hope that both countries would increase their people-to-people exchanges and promote their understanding, thus furthering the bilateral relations.

Rafael arrived here Friday and will visit Guangzhou, Zhuhai and Shanghai.

Political & Social

Denials Continue on Rumored Deng Illness

Foreign Ministry Comments

HK0508065489 Hong Kong AFP in English
0636 GMT 5 Aug 89

[By Robert MacPherson]

[Text] Beijing, Aug 5 (AFP)—The Chinese authorities Saturday flatly denied fresh reports that senior leader Deng Xiaoping, who turns 85 on August 22, was seriously ill and undergoing medical treatment at a seaside resort.

"The report is sheer fabrication with ulterior motives," a Foreign Ministry spokesman said, reacting without elaboration to a report Friday by a Japanese news agency.

The BEIJING DAILY newspaper Saturday listed two reports in recent months about Mr. Deng's health as examples of "lies" it said were broadcast by the Voice of America (VOA) radio service.

Jiji Press, citing sources in Beijing, said Friday that Mr. Deng was in critical condition with prostate cancer at Beidaihe, the seaside resort 300 kilometers (180 miles) from Beijing where he usually holidays in August.

It added that Mr. Deng was also suffering from cancer of the larynx, and that doctors accompanying him were considering sending him back to Beijing for better treatment.

Mr. Deng has not been seen in public since June 9, when he gave what is now known here as his "very important speech" praising martial law troops for crushing student-led democracy protests on June 4.

The last foreign dignitary he greeted was Soviet leader Mikhail Gorbachev on May 16, during the Sino-Soviet summit at the height of street marches for democracy by hundreds of thousands.

He was absent from events marking Tuesday's 62nd anniversary of the People's Liberation Army, which he effectively commands as chairman of the Central Military Commission.

Rumors about Mr. Deng's health, and their repeated denials by the authorities, have long been a fact of Beijing life, especially when he has been out of public view for long periods.

But they are being treated more carefully since the June 4 bloodbath in Beijing, when tanks and infantry cleared students from Tiananmen Square after a heated closed-door power struggle inside the Chinese leadership.

Mr. Deng sided with hardline Premier Li Peng and retired party elders to approve the use of force, at the expense of his one-time protege Zhao Ziyang who was purged as Communist Party general secretary.

The suppression of the protests left some 300 people dead by Beijing's own admission and up to 3,000 according to Western sources.

Later in June, however, the pro-communist Hong Kong newspaper WEN WEI PO quoted Mr. Deng as saying "there should be limits to the number of people executed" in the crackdown on dissent that followed.

Mr. Deng, who led China into an era of reform but holds little tolerance for dissent, has traditionally played a mediating role between rival hardliners and reformers.

Many Chinese and foreign observers expect that his death will trigger a fresh round of infighting within the leadership.

In the latest condemnation of VOA, the U.S. Government's short-wave radio service, the BEIJING DAILY cited as "lies" two reports in recent months that said Mr. Deng had cancer.

VOA has repeatedly been attacked for what China calls impartial coverage [as received] of events here, and two of its correspondents have been expelled. VOA has rejected the charges.

WEN WEI PO Remarks

HK0508010289 Hong Kong WEN WEI PO
in Chinese 5 Aug 89 p 1

["Urgent dispatch": "China Denies Deng Dies of Illness; Jiang Zemin Currently Inspecting South China"]

[Text] Beijing, 5 Aug, early morning—According to reliable sources, CPC Central Committee General Secretary Jiang Zemin is not in Beijing at present but is instead inspecting work in south China. The people concerned conclude from this that foreign media reports that Deng Xiaoping is in critical condition or has even died are obviously inaccurate, because if the reports were indeed true, then it is not possible that Jiang would not return to Beijing. And the Jiji agency's report that Jiang rushed to Beidaihe on 2 August to visit Deng does not tally at all with Jiang's movements; the report is therefore not reliable.

Reportage on Jiang Zemin's Visit to Shanghai

Makes Inspection 2-6 Aug

OW0608195189 Beijing Television Service
in Mandarin 1000 GMT 6 Aug 89

[Text] [While the announcer reads the report, video shows wide shot of Jiang Zemin among a group of people, all wearing helmets, in a factory building, followed by some close-up shots and medium shots of him shaking hands with workers, and a medium shot of Zhu Rongji shaking hands with workers. The camera then cuts to medium shots of Jiang and Zhu, among others, by a rice field, followed by close-up, medium, and wide shots of Jiang and Zhu at a meeting with a group of people in a conference room, Jiang addressing a large audience in a hall, Jiang and Zhu inspecting factories, Jiang speaking with a small group of people in a room, and Jiang looking at a car with a Volkswagen emblem or logo on it. The video continues with more medium and wide shots of Jiang and others in factories and in the countryside, followed by medium and wide shots of Jiang visiting barracks, speaking to a group of servicemen in a room, and presenting awards to servicemen at a ceremony held in a large auditorium. Jiang, Zhu and other leaders are in shirt sleeves on all occasions.]

Jiang Zemin, general secretary of the CPC Central Committee, inspected Shanghai from 2 to 6 August. On different occasions during the inspection, Comrade Jiang Zemin was accompanied by Zhu Rongji, secretary of the Shanghai municipal party committee and mayor of Shanghai, and by Huang Ju, Wu Bangguo, and Chen Zhili, deputy secretaries of the municipal party committee. He went deep into grass-roots units to make extensive contacts and hold discussions with people from all walks of life, including workers, peasants, intellectuals, and cadres, and to extend cordial regards to workers working hard at the forefront of production. He also met with responsible comrades of party, government, and Army organizations, and some veteran comrades in Shanghai. He expressed his heartfelt thanks to the Shanghai people for the support and assistance they had given him when he was working in Shanghai. In addition, he spoke on such questions as studying and implementing the guidelines of the 4th Plenary Session of the 13th CPC Central Committee and Comrade Deng Xiaoping's several important speeches, earnestly upholding the four cardinal principles, opposing bourgeois liberalization, and furthering the efforts for reform and opening to the outside world.

During his conversation with people of various circles in Shanghai, Comrade Jiang Zemin repeatedly stressed the need to fully implement the basic line of "one central task and two basic points" laid down at the 13th CPC National Congress. He said: Upholding the four cardinal principles is the basis for building the country, while persisting in the policy of reform and opening to the outside world is the road to make our country strong. The two complement and promote each other. At no

time should we forget the historical experience and lesson that we have drawn at the price of blood. He called on the comrades in Shanghai to emancipate their minds and to take greater and quicker strides in conducting reform and opening to the outside world.

Jiang Zemin said: In our country, Shanghai is the biggest industrial city and economic center, with all the necessary trades and professions, as well as an important international port. It should definitely make new achievements in expanding the scope of reforms and in opening wider to the outside world, and it has the necessary conditions for making these achievements. Shanghai has great potential in this regard, and there are many things that it can do. It has great prospects and hopes.

Jiang Zemin pointed out: In the course of opening to the outside world, it is necessary to strive to learn from the advanced technology and successful management experience of foreign countries, and to learn everything that is useful to China's four modernizations. At the same time, it is also necessary to pay attention to resisting the corrosion by decadent capitalist thinking.

Jiang Zemin called on Shanghai to further enhance the vitality of its large and medium-sized enterprises by deepening the reform. He said: The large and medium-sized enterprises occupy a dominant position in the national economy. When the large and medium-sized enterprises are invigorated, they will be able to better play a backbone role in economic construction, and there will be great prospects for our economic development. He earnestly urged the people of Shanghai to work with one heart and one mind and try in every possible way to develop the economy and make still greater contributions to the state.

Comrade Jiang Zemin, with great interest, looked at a (Santana) model car made in Shanghai, and expressed his satisfaction over the smooth progress made in increasing the proportion of products made by our country. During his visit with the workers of the Shanghai No 1 Steel Plant, he cordially chatted with them and joined them in singing the song, Our Workers Have the Strength.

In his conversation with the cadres of suburban counties during his inspection there, Comrade Jiang Zemin urged them to firmly foster the guiding thought of taking agriculture as the foundation. He said: Our country has a large population, but limited land. Since land is precious, we should strive to make full use of cultivated land and employ legal means to protect cultivated land. In addition, we should do everything we can to raise the per-unit-area yield and the productivity of land. After this is accomplished, we should develop town and village industry step by step.

During his stay in Shanghai, Comrade Jiang Zemin met with the responsible comrades of the People's Liberation Army units and the Armed Police there, and visited the officers and men of the Good Eighth Company on Nanjing Road. He called on people to learn from the revolutionary spirit of hard struggle and the lofty style of always refraining from being corrupted displayed by the Good Eighth Company on Nanjing Road. He also attended a meeting on commending the public security and Armed Police personnel for their contributions toward curbing the turmoil and quelling the rebellion. During the meeting, he awarded prizes to some meritorious officers and men of the public security and Armed Police units.

Bids 'Farewell' to Colleagues

HK0608020889 Hong Kong WEN WEI PO in Chinese
6 Aug 89 p 1

[Report: "Jiang Zemin Recently Arrived in Shanghai for Inspection, Holds Series of Forums with Various Sectors"]

[Text] Shanghai, 5 Aug—According to a well-informed source here, following his recent inspection tour of the south, CPC General Secretary Jiang Zemin arrived in China's largest industrial city Shanghai a few days ago. Jiang Zemin will leave Shanghai after a four-day stay here.

It has been reported that during his stay in Shanghai, Jiang respectively held forums with workers, peasants, enterprise leaders, intellectuals, and some cadres who are at their posts and some who have retired. While holding a forum with enterprise leaders, Jiang stressed the necessity of wholeheartedly relying on the working class. He urged all enterprise party organizations to undertake the heavy responsibility of conducting ideological and political work among staff members and workers. The party should exercise management over party affairs, carry out ideological and political work among enterprise workers, give full play to the role of the party branch as a fighting bastion in an enterprise, and create a keen political atmosphere in enterprises.

While holding a forum with intellectuals, Jiang said: As China has been in a peaceful environment over the past 40 years, particularly in recent years, we have relaxed our vigilance against the influence of international imperialist and capitalist forces and the danger of peaceful evolution of China's socialism, and our sense in this regard has become blunted. Because of the negligence of education work and of the weak link in political and ideological work, intellectuals have failed to integrate themselves with the working class, resulting in a break between the two. From now on, Jiang stressed, we should enhance and do well education work among intellectuals, youths, and students and encourage intellectuals to integrate themselves with the working class.

According to an insider, Jiang Zemin arrived in Shanghai not merely for inspection. He took the opportunity of assuming the office of general secretary to bid farewell to his colleagues and all circles in Shanghai. It has been reported that Jiang Zemin went to Shanghai County in the outskirts of the city to hold a forum with the county magistrates and secretaries who were attending a study class there. Jiang also went to bid farewell to the Shanghai Garrison Command. He was once first political commissar of the municipal garrison command.

Reportedly Discusses Successor

OW0508130889 Tokyo KYODO in English
1229 GMT 5 Aug 89

[Text] Shanghai, Aug. 5 KYODO—Chinese Communist Party chief Jiang Zemin has been staying in Shanghai since earlier this month, Chinese sources said Saturday.

A Japanese press report has said Chinese senior leader Deng Xiaoping was critically ill with cancer in the seaside resort of Beidaihe, east of Beijing, and Jiang and other party leaders were there.

The Chinese Foreign Ministry on Saturday denied the report as a "sheer fabrication."

The sources said Jiang has been staying in Shanghai for at least three or four days and talked with city officials about his successor as secretary of the party's Shanghai municipal committee.

Central Committee Confirms Zhu as Shanghai Leader

OW0608160289 Beijing XINHUA Domestic Service
in Chinese 1204 GMT 6 Aug 89

["Local Broadcast News Service"]

[Text] Shanghai, 6 Aug (XINHUA)—The CPC Central Committee decided a few days ago that Zhu Rongji will be secretary of the Shanghai municipal party committee and Chen Zhili (female) deputy secretary of the Shanghai municipal party committee.

Zhu Rongji was formerly deputy secretary of the Shanghai municipal party committee. He is also concurrently mayor of Shanghai Municipality.

Chen Zhili was formerly a member of the Shanghai municipal party committee Standing Committee.

Wang Meng 'Removed' From Party Post

HK0708003089 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1113 GMT 6 Aug 89

[“Wang Meng Removed from Office of Secretary of Party Branch of Ministry of Culture”—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 6 Aug (ZHONGGUO TONGXUN SHE)—According to informed sources, writer Wang Meng, who is also the Minister of Culture, has recently been removed from his office of secretary of the party branch of the Ministry of Culture and replaced by former Deputy Director of the CPC Central Propaganda Department and noted poet He Jingzhi.

It is said that the decision on the removal of Wang Meng was announced by Vice Minister of Culture and deputy secretary of the ministry's party branch Gao Zhanxiang. After his return from an overseas trip in early June, Wang Meng chaired a meeting of the party branch at the ministry on 2 June. Shortly after that, he claimed that he was ill and was hospitalized. He did not even attend the 4th Plenary Session of the CPC Central Committee. Immediately after his discharge from the hospital last month, he went to Shandong to recuperate and has not returned to Beijing since.

At present, Wang Meng is still the minister of culture. According to the mainland Constitution, the appointment and removal of the minister of culture must be decided by the Standing Committee of the National People's Congress.

State Council Dismisses Two Officials

OW0408142589 Shanghai Voice of Pujiang
in Mandarin to Taiwan 0900 GMT 2 Aug 89

[Text] The State Council recently appointed and dismissed a number of state functionaries. It appointed Song Muwen as director of the China Press and Publications Administration and dismissed Du Daozheng from his post of director of the administration. It also dismissed Liu Mingjiu from his post of vice minister of supervision.

Comparison: RENMIN RIBAO on Yan Jiaqi

HK0408073889

Beijing RENMIN RIBAO in Chinese on 3 August carries on pages 1 and 4 a 4,000-character article by Li Jiansheng entitled “Yan Jiaqi, The ‘Elite’ of the Turmoil.” This version has been compared with the Beijing RENMIN RIBAO OVERSEAS EDITION Chinese version published in the National Affairs section of the 3 August China DAILY REPORT, pp 18-22, revealing the following variations:

Page 18, column two, first full paragraph, line eighteen reads...principles and peddle the American-style bourgeois democracy in...[nothing additional words “the American-style”]

Page 19, column one, paragraph one, line six reads...and improvement. Then, that figure in Zhao's think tank...[nothing additional words “that figure”]

Same page, same column, same paragraph, line seven reads...through overthrowing Deng.” He made use of...[noting change from “they” to “he”]

Same page, column two, last paragraph, last line reads...in line with the spirit of Zhao Ziyang's talk...[nothing additional words “the spirit of”]

Page 20, column one, third full paragraph, line five reads...group of people like Su Shaozhi and others put up a...[nothing additional words “like Su Shaozhi and others”]

Same page, same column, fourth full paragraph, line one reads...Yan Jiaqi and 12 others issued “Our...[nothing change from “11” to “12”]

Same page, column two, last paragraph, line four reads...the participation of Su Shaozhi, Wang Dan and...[nothing additional words “Su Shaozhi”]

Page 21, column one, paragraph two, line three reads...in Beijing, and the ~~second step~~ would follow, and “the general...[nothing additional clause]

Same page, same column, same paragraph, line four reads...overthrow Li Peng.” On the same day, together with some...[nothing additional words “on the same day”]

Same page, same column, paragraph three, line three reads...of overall affairs. Some people said that once the national federation of intellectuals circles was established, Yan Jiaqi would be responsible for its overall planning. A full-text duplicate...[nothing additional sentence]

Page 22, column one, paragraph one, line eleven reads...enemy of the Chinese people will come...[nothing additional word “Chinese”]

Party Issues Instructions on Corporations

OW0108021089 Beijing Domestic Service in Mandarin
0930 GMT 31 Jul 89

[From the “National News Hookup”]

[Text] The following is the text of the notice issued by the State Administration for Industry and Commerce on 30 July:

The following announcement is proclaimed in conjunction with the decision of the CPC Central Committee and the State Council to wind up the China Kanghua Development Corporation and the China Industrial, Commercial, and Economic Development Corporation, and, in accordance with the relevant stipulations contained in the general rules of civil law, pertains to matters related to the liquidation of these two corporations.

1. A liquidation committee will be established separately for the China Kanghua Development Corporation and the China Industrial, Commercial, and Economic Development Corporation.

2. All activities of the two corporations outside the province of liquidation will cease immediately.

3. The rights and obligations contained in all contracts signed by the two corporations with domestic and foreign entities will remain effective.

4. After the two corporations complete the liquidation process, they will deregister themselves according to the stipulations in the regulations for legal entity registration and administration. Prior to this, they still retain their corporate status.

Provinces Move To Implement Central Decision
OW3107050689 Beijing Domestic Service in Mandarin
2130 GMT 30 Jul 89

[Text] After the decision of the CPC Central Committee and State Council to accomplish several tasks of great concern to the people in the near future was announced, the Beijing Municipal CPC Committee, Tianjin Municipal CPC Committee, Sichuan Provincial CPC Committee, and Hubei Provincial CPC Committee held meetings on 29 and 30 July to earnestly study, discuss, and implement it in connection with their actual conditions.

Beijing and Tianjin have decided to: 1) Further clean up and rectify companies and resolutely abolish those companies that should have been abolished; 2) resolutely stop children of senior officials from engaging in commercial activities; 3) strictly enforce regulations on the use of cars and firmly stop the import of sedans; 4) strictly forbid entertaining guests and buying gifts with public funds; 5) strictly limit leading officials' visits to foreign countries; and 6) step up the investigation and handling of economic crime. We must pay close attention to investigating and handling major cases of embezzlement, acceptance of bribes, speculation, and profiteering. Such cases should be investigated thoroughly, no matter who is involved. Those who should be punished according to law must be firmly punished.

The Tianjin Municipal CPC Committee also decided: All departments are banned from purchasing high-class houses for their leaders or repairing or decorating houses with public funds. Leading cadres at the district, county, and bureau levels or higher are not allowed to go fishing in rural ponds.

At an enlarged meeting of the Standing Committee of the Sichuan Provincial CPC Committee, some comrades said: Sichuan Province has done quite a lot to clean up and rectify companies. However, we must not overestimate the achievements. Problems at a deeper level, such as bribe-taking, kickbacks, and profiteering, need further investigation. A leader of the provincial Discipline Inspection Commission said: The results of investigations of several major cases involving cadres at the department and bureau level will be made public very soon to enhance the people's confidence in opposing corruption.

In connection with the actual situation, the Sichuan Provincial CPC Committee put forward many good measures and suggestions on forbidding the entertaining of guests and sending of gifts with public funds; the procuring of agricultural, sideline, and special products from lower levels at low prices; the assignment of more houses than needed to cadres; the building of private houses for them; the recruiting of senior officials' children as cadres or workers; their job transfers and studies abroad, and so forth.

A Standing Committee meeting of the Hubei Provincial CPC Committee decided: The province will ban the import of sedans in the future. All members of the Standing Committee of the provincial CPC Committee and the governor and deputy governors should take the lead in using domestic cars. The cars that are replaced will not be reassigned to other government departments; they will all be used for social services.

After studying the problems with which the masses are dissatisfied, the meeting decided to solve some of the prominent problems. They included: continuing to pay close attention to cleaning up and rectifying companies, and immediately canceling the special supply of vegetables to cadres at the deputy bureau level or higher, as well as the special supply of cigarettes and wine on the holiday occasions. The special restaurants of the provincial CPC Committee and government will be changed into restaurants for all departments. Set meals composed of a main dish and a soup should be served to cadres on business trips within the province as well as guests from other provinces. It is necessary to step up investigation into illegally built houses and thoroughly find out how the cadres got the money and construction materials to build the houses. We must not allow them to reap any extra benefits. It is forbidden to decorate the residences of senior officials in excess of the standards. They must pay for the furniture, air conditioners, and electric bills themselves.

Authorities Arrest Travelers With Fake Passports
HK0708095489 Hong Kong WEN WEI PO in Chinese
7 Aug 89 p 4

["Two Persons From Beijing Arrested in Guangzhou for Trying To Leave China With Fake Passports"]

[Text] Guangzhou Customs today revealed that not long ago, two Beijing residents who tried to leave China with fake passports were arrested in Guangzhou. A Hong Kong resident who was suspected of providing the fake passports for the two people was also detained by the local public security department.

On 15 July, Xiao Shifu and Li Lixin who held Singapore passports, together with Lin Weiming, a Hong Kong resident, went to the Guangdong Branch of the Zhong-qiao Company to buy duty-free commodities. When the customs inspector at the Guangzhou Railway Station examined their purchase certificates, he found that the customs seal on the declaration bills had not been used for a long time and the size of this seal was different from the right one. So he questioned the two travelers from Beijing. Lin Weiming found that the plot was brought to light and tried to escape, but he was caught after that.

According to the interrogation, Xiao and Li are married and they owned and ran a photo processing shop in Beijing. They paid \$300,000 Hong Kong to buy the fake Singaporean passports from Lin Weiming. It was found that their visa was also forged. They carried one air ticket from Wuhan to Hong Kong and one air ticket from Hong Kong to Japan, and a counterfeit diploma from Beijing University as proof for seeking "political asylum" after leaving China. The three people were detained by Guangzhou Customs and were investigated by the public security organ.

Propaganda Department Holds Discussion
OW0508221489 Beijing XINHUA Domestic Service
in Chinese 1539 GMT 5 Aug 89

["Local Broadcast News Service"]

[Text] Beijing, 5 Aug (XINHUA)—The Information Bureau of the Propaganda Department of the CPC Central Committee recently sponsored a discussion meeting of some Beijing journalists to analyze and criticize the viewpoints of bourgeois journalism in light of the reality of journalism. The comrades present unanimously held that to implement the guidelines of the 4th Plenary Session of the 13th CPC Central Committee and do a good job in journalism in the future, it is an extremely important task for our press to take a clear-cut stand in upholding Marxist viewpoints on journalism and resolutely resisting corruption by the bourgeois liberalist trend of thought.

The comrades said during the meeting that the bourgeois liberalist trend of thought is conspicuously expressed in two respects in the field of journalism. One is to publicize abstract freedom of the press and use the bourgeois freedom of press to negate the party leadership over journalism. The other is to advocate that "affinity with the people is more important than party spirit," separate party spirit and affinity with the people and set the two against each other, and negate the principle of party spirit which is the mainstay of Marxist journalism.

The comrades said at the discussion meeting: During the recent turmoil, someone issued an important call for "seeking and defending the freedom of the press." In fact, supra-class and abstract freedom of the press is nonexistent. We must not stress the freedom of the press in disregard of the socialist system and the basic nature of socialist journalism. When we talk about the freedom of the press, we must abide by the Constitution and other laws, consider the fundamental interests of the party and the people, and observe discipline. These principles have laid an important foundation for the development of China's journalism. Some comrades said: Many young comrades are confused and deceived by the advertisement made by the bourgeoisie in Western countries for "freedom of the press." When turmoil took place in some localities in China recently, "Voice of America" fabricated and spread a great many rumors, broadcast a series of instigative articles, put on an act which showed it up completely during the anticommunist and antisocialist storm, and fully exposed the nature of Western bourgeois freedom of the press.

Some comrades said: The recent turmoil showed that the freedom of the press advocated by some people is the freedom to oppose the central authorities' important policy decisions, the freedom to overrule at will the correct conclusions made by the central authorities, the freedom to spread rumors, and the freedom to wantonly insult party and state leaders and to instigate the overthrow of the legitimate government. If such a freedom of the press is tolerated, there will be no peace in our country. Some comrades pointed out: When the turmoil plotted by a handful of people was escalating constantly, Comrade Zhao Ziyang, in his 6 May conversation with a central leader then in charge of the propaganda work, did not at all mention the role of journalism in guiding public opinion and the role of party newspapers as a mouthpiece. He stressed only the so-called freedom of the press and emphasized the openness of news reportage. He was in fact boosting the morale of those who promote bourgeois liberalization, and instigating the press circles to use "freedom of the press" to guide the public opinion in a wrong direction.

The comrades said during the discussion: Some people have proposed that "affinity to the people is more important than party spirit," and called for newspapers to supervise the party on behalf of the people, as if the party cannot represent the people and only the newspapers can. They regard party spirit and affinity to the

people as conflicting with each other, and even regard affinity to the people as more important than party spirit. Some comrades said: Comrade Hu Jiwei proposed and upheld such a "theory" and repeatedly publicized it, causing an adverse effect in press circles. For a period, emphasis on party spirit was regarded as "ossification," party spirit became a shackle that people impatiently wanted to free themselves from, and some people publicized "affinity to the people" in an attempt to negate the principle of party spirit and ignore the party leadership.

Some comrades said: In his speech to the 2d Plenary Session of the 12th CPC Central Committee, Comrade Deng Xiaoping pointed out: Some people "think of democracy as conflicting with party leadership and propose something in violation of Marxism over the question of party spirit and affinity with the people." This clearly shows the nature of the question. In our country, the party leadership and people's democracy are one, and so are party spirit and affinity with the people in journalism. If we think of the party leadership as conflicting with people's democracy, regard party spirit as conflicting with affinity to the people, and hold that the people do not need the party, we can only create anarchy, undermine people's democracy, give conspirators and bad people a good opportunity, and seriously harm the socialist cause.

The comrades pointed out during the discussion: The recent mistake in guiding public opinion is the best answer to the question of whether affinity to the people is more important than party spirit. During the turmoil, some people thought that the party Central Committee made a wrong judgment of the nature of the turmoil and the martial law measures were also wrong. So, they wanted to reflect "the people's voice." In fact, what they could reflect were the demands of a handful of people who created the turmoil, and the extreme views of some people who did not know the truth at that moment. The way the counterrevolutionary rebellion was quelled has made people realize that the real representatives of the people are the party Central Committee and the proletarian revolutionaries of the older generation represented by Comrade Deng Xiaoping.

Those who spoke at the discussion meeting included Lu Liang, director of JIEFANGJUN BAO (in writing); Lin Yushu, director of the School Education Department of GUANGMING RIBAO; Feng Bing, director of the Commentary Department of JINGJI RIBAO [ECONOMICS DAILY]; Li Guoan, chief editor of the Central People's Broadcasting Station; Yu Quanyu, chief editor of JINGJI CANKAO BAO [ECONOMIC REFERENCE]; Wang Yu, associate professor of Beijing Broadcasting College; and Wang Furu, director of the Information Bureau of the CPC Central Committee Propaganda Department.

Li Yan, deputy head of the Propaganda Department of the CPC Central Committee, attended and addressed the meeting.

Central Office Organizes Party-Building Forum
OW3107143789 Beijing XINHUA in English
1356 GMT 31 Jul 89

[Text] Beijing, July 31 (XINHUA)—Efforts must be made to straighten out the ideology of the party ranks and purify and strengthen the party organizations at all levels, senior party officials said at a recent discussion, according to today's PEOPLE'S DAILY, organ of the Chinese Communist Party.

Addressing the discussion sponsored by the Organization Department of the Central Committee of the Communist Party of China (CPC), many participants in the discussion were of the view that those party organizations which pay attention to party building were firm in guiding the people to oppose the May-June turmoil and those which do otherwise failed to do that.

Li Yan, deputy secretary of the work committee of the departments under the party Central Committee, pointed out that during the 50-day turmoil, some party members or even senior party officials joined in the demonstrations. This laid bare the problems in the ranks of the party members and leading officials.

Li quoted Chinese senior leader Deng Xiaoping "It's time to intensify party building now and it won't do if we hesitate." And then he said that what Deng said helps people have a profound understanding of the importance of strengthening party building.

Participants attributed the weakening of the work on party building in the recent years to former party General Secretary Zhao Ziyang who advocated for "slackening" the role of the party and weakening the party leadership.

Bao Tong, Zhao Ziyang's secretary, said last year at Beidaihe summer resort that party organizations in colleges and universities should be amateur.

There were only two or three people in charge of party affairs in a factory which employs some 2,000 people, said Yao Wanyi, party secretary of the Beijing No. 1 Machine Tool Plant.

Great attention must be paid to the party building after putting down the anti-government rebellion occurred Beijing recently, said Li Lian, secretary-general of the party Central Advisory Commission.

There must be a party consolidation organizationally and it should start from central departments, Li said, adding that the consolidation work must be carried out earnestly and in a concentrated way and must not just pay lip service to it.

In strengthening party building, efforts must first of all be made to do a good job of the ideological work and educate the party members in the party's basic political line and Marxism-Leninism-Mao Zedong Thought and oppose bourgeois liberalization, participants stressed.

Li Wenhui, party secretary of the People's University of China, said that in recent years, those who advocate bourgeois liberalization often criticize those who adhere to the four cardinal principles, saying that they were the "leftists" who had an "ossified way of thinking."

Organizers and plotters of the turmoil who are party members must be dealt with seriously, or else the party ranks cannot be kept purified, said Gao Qixiang, deputy director of the Organization Department of the Beijing municipal party committee.

Departments Conduct Forum on Ideological Work
OW0208031889 Beijing GUANGMING RIBAO
in Chinese 16 Jul 89 p 1

[Report by staff reporters Deng Haiyun (6772 3189 0061) and Zhu Wenqin (2612 2429 3830)]

[Text] This paper's Editorial Department and the Education Bureau of the CPC Central Committee Propaganda Department jointly held a forum on 14 July. Personages from Beijing's educational circles were invited to the forum to enthusiastically discuss questions on how to conscientiously implement the guidelines laid down by the 4th Plenary Session of the party's 13th Central Committee and how to effectively strengthen ideological and political work at institutions of higher learning. Yao Xihua, editor in chief of this paper, presided over the forum.

Those attending the forum unanimously held: The strengthening of ideological and political work at institutions of higher learning is a long-term, arduous, and complicated task which brooks no delay. This task merits close attention from leaders at all levels and from society as a whole. Associate Professor Huang Meilai of the Qinghua University Social Science Department pointed out: The significance of paying close attention to and strengthening ideological and political work should be viewed from the high plane of the contention between the proletariat and the bourgeoisie for successors. He added: "The world is currently moving from confrontation toward detente, and 'is not permeated with love everywhere.' The struggle between the two classes and the two different social systems still exists. 'Peaceful evolution' is the main tactic international reactionary forces use in trying to subvert socialism. Dulles once placed his hopes on China's third, or even fourth, generation. The actions of some people in the Western capitalist countries during the turmoil and counterrevolutionary rebellion shows that they still dream Dulles' fond dream. We should be bold in making use of the favorable international situation and unswervingly pursue the policy of opening to the outside world; at the

same time, while implementing this policy, we must face the fact that it is inevitable that we must wage struggle against the corrosive influence of capitalist ideas. Under no circumstances must we neglect, slacken, or be afraid to wage the struggle against the corrosive influence of capitalist ideas and peaceful evolution simply because we pursue the policy of opening to the outside world. The blood-stained facts show us that in the historical conditions of reform and opening to the outside world, we must never forget 'the contention for successors' in the ideological sphere. Therefore, we must pay close attention to and effectively strengthen the ideological and political education of large numbers of young students."

After reviewing the ideological and political work at institutions of higher learning in the preceding period, the forum participants held: The development of the student unrest into turmoil and then into a counterrevolutionary rebellion had a lot to do with the slackening of ideological and political work among college students and the unchecked spread of the ideas of bourgeois liberalization on campuses for some time in the past. Guo Jinghai, deputy secretary of the Beijing University party committee, said: "Zhao Ziyang, former general secretary of the party, took a passive approach to upholding the four cardinal principles, did his utmost to weaken ideological and political work, and neglected the building of spiritual civilization to a serious extent. As a result, two abnormal situations developed in college education:

1. Attention was paid only to ability, and not to political integrity, in selecting, training, and employing qualified personnel. Stress was put on vocational studies and academic achievements in enrolling new students, recommending and appraising students, granting scholarships and student loans, selecting advanced students, conferring academic degrees on graduating students, and assigning jobs upon graduation. It seemed that if a student did well in study, he would do well in all other aspects. This led to neglecting the moral education of students, especially neglecting the strict political demands which should be imposed on them.

2. Ideological and political workers in schools lacked status. To effectively carry out ideological and political education among students, there must be a contingent of full- and part-time cadres in ideological and political work. This contingent should constitute the foundation and mainstay for this work. Ideological and political education is also a science; it is not easy to do this work well. However, this contingent and its work received no attention for a long time. There have been some regulations on the selection and training of cadres in ideological and political work and on their remuneration, but most of these regulations have not been implemented because of lack of coordination in policy. Some people have even regarded such cadres as "slick talkers." Thus, it has been increasingly difficult to be a political cadre. As a result, they are very distressed about it.

He Meiyang, deputy secretary of the party committee of Qinghua University, said: I felt in my work that in recent years, the college students' political awareness and moral quality, their consciousness of the country and the people, and their sense of responsibility as citizens have been continuously falling. These people, whom we have spent a great deal of energy on to train, do not support socialism, and want to promote wholesale Westernization and private ownership. This is the result of concessions we have made in our ideological and political positions. These concessions reflect themselves in paying little attention to class struggle and class analysis, neglecting self-reliance and arduous struggle, totally negating our national cultural traditions, playing down and weakening party leadership, advocating "elitist politics," and praising youth to the skies. The recent turmoil made us clearly realize that we must adopt clear principles in ideological and political work under the conditions of reform and opening up, uphold the party's basic line, take a clear-cut stand in upholding the four cardinal principles, and oppose bourgeois liberalization.

The forum participants said that while quelling the counterrevolutionary rebellion, it is also necessary to realize the arduousness of political and ideological education at institutions of higher learning. Li Gaoyun, deputy chief of the Office of Ideological Education of the Chinese People's University, said: The reality facing us now is that we must, by means of ideological and political education, save those college students who have suffered serious internal spiritual wounds from the failure in education and the unchecked spread of the ideas of bourgeois liberalization over the past 10 years, particularly from the more than 50 days of agitation by counterrevolutionary propaganda and rumors. Ordinary people may see the "college students" as simple and naive kids who are inexperienced in political struggle and can easily be turned into pawns by others. The fact is that because of the differences in age, schooling, and experience, there are great differences in political stands, attitudes, and activities among college students. Thus, in order to make an objective assessment of their political and ideological position, we must use different levels of political standards, set different requirements for them, and adopt different methods and use different material in promoting ideological and political education among them. Otherwise, for lack of well-defined objectives, our education effort would very possibly turn into nothing but perfunctory work.

Comrades attending the forum offered many positive suggestions on effectively strengthening ideological and political education at institutions of higher learning.

Lu Qinyi, vice chairman of the national research association in ideological and political education at institutions of higher learning, said: Ideological and political education at institutions of higher learning must stress the major issue of taking a clear-cut stand on upholding the four cardinal principles and opposing bourgeois liberalization. He added: Therefore, it is necessary to

resolutely eliminate the two ideological obstacles: pitting upholding the four cardinal principles against reform and opening up, and regarding opposing liberalism as "left" or "ideological ossification." It is necessary to regard upholding the four cardinal principles and opposing bourgeois liberalization as an important task for school leaders, party organs, and all teachers and students; to do a good job in carrying out this task; and to incorporate it in various subjects of teaching and education, through various channels, and throughout the entire educational system. Hu Xiaoshuan, former party committee secretary of Beijing Aviation and Astronautics University, suggested efforts to vigorously strengthen party building at institutions of higher learning. He felt that the recent situation revealed the following problems in party building at institutions of higher learning: ineffective inner-party education, weak and lax party organization, a loose party-masses relationship, declining party appeal for the masses, lack of a clearly defined status for grass-roots party organs, and a shortage of political cadres. We must realize that today, the nation's and society's leaders of the early 2000's are receiving or about to receive their higher education. Ensuring the socialist orientation of institutions of higher learning, and that their graduates will have both ability and political integrity, is a task of vital importance for the future of the party and the state. Therefore, strengthening party building and ideological and political work at institutions of higher learning is an urgent task that brooks no delay.

In his talk, Xu Tongqiao, deputy secretary of the party committee of Beijing Normal University, said: During the recent serious political struggle, many young students lost their political bearings at the crucial moment. It was a very painful lesson. The grim facts tell us that young students must first of all have a steady and correct political orientation. Professor Xu Zhengfan, director of the research institute of education in Marxist theory of the Chinese People's University, said: What was appalling and thought-provoking was that while the market of "the theory that Marxism is out of time" is fast shrinking in the West, the bourgeois liberalization enthusiasts in China, relying on the West's obsolete anti-Marxist weapons, have been trying to start a "new" anti-Marxist bonfire in the East. More appalling is that the former secretary general of a party which has long been persisting in integrating the universal Marxist truth with practice in China, and which has produced and is continuously developing Mao Zedong Thought, has actually winked at and supported the anti-Marxist activities of those go-getters who support bourgeois liberalization, and has given the green light for the importation and marketing of "the theory that Marxism is out of date" by these go-getters. It has become very obvious that in order to further bring the guiding role of Marxism into play in the world and in China today, to create a generation of young Marxists and foster qualified personnel to meet our needs in socialist modernization and construction, to more effectively enhance the level of political consciousness of the vast number of cadres and masses, and

to quickly eliminate the pernicious influence of bourgeois liberalization, we must conscientiously do a good job in promoting theoretical education in Marxism.

Yuan Chunqing, director of the Schools Department of the Communist Youth League Central Committee, suggested strengthening education in the national situation, democracy, and in the legal system, and arduous struggle among college students. Yang Qingwen, vice president of the Beijing University of Science and Technology, also held that there should be a contingent of energetic, devoted, and stable full-time political cadres to ensure better ideological and work among students. Zhang Yian, vice chairman of the All-China Trade Union of Education Workers, stressed the teachers' role in teaching and educating.

Tang Shaoming, Education Department director of the Propaganda Department of the CPC Central Committee, was the last to speak. He said: In reflecting on the turmoil, we have gained a deeper understanding of the tasks of strengthening ideological and political work at institutions of higher learning and carrying out education in ideological theories among college students. The turmoil's magnitude, duration, and serious nature all exceeded what we anticipated. It has left us serious spiritual and ideological problems. Now that the root causes have been eliminated, we have become more aware of our future ideological and political work at institutions of higher learning. At the same time, we have become more determined and confident in doing this work well.

Wang Zhen, deputy chief editor of this daily; Lin Yushu, a departmental head of the Ministry of Education; Liang Weiji, deputy director of the Education Bureau of the CPC Central Committee Propaganda Department; and others attended the forum. This daily will publish excerpts of the forum's minutes sometime in the future.

Graduates Reportedly 'Review' Thoughts, Acts
OW0608081389 Beijing XINHUA in English
0752 GMT 6 Aug 89

[Text] Beijing, August 6 (XINHUA)—Today's "PEOPLE'S DAILY" reported that "a considerable proportion" of graduates of Beijing University have reviewed their thoughts and acts during the two-month riots and summed up lessons that they should draw from past events through political studies before their graduation.

During the study sessions, the students read speeches by Deng Xiaoping and other party and government documents and watched video programs on recent counter-revolutionary rebellion in Beijing.

Many agreed that college students must study Marxist theory in order to check the influence of bourgeois liberalization.

The paper quoted students as saying that the spread of bourgeois liberalization in the past years was a fundamental factor leading to the recent turmoils and counter-revolutionary rebellion.

As students have slackened study of Marxism, they could hardly distinguish between right and wrong in matters of great importance and were easily made use of by people with ulterior motives, they were quoted as saying.

According to the newspaper, many students have come to the conclusion that they must enhance their understanding of China's actual conditions and must not have blind faith in foreign models especially U.S. democracy. Some student have come to realize that they must have a correct understanding of their own role in society and do away with the idea that college students are the leaders of the masses and "saviour" of society. Others said that college students are not "special citizens" who can ignore laws.

The "PEOPLE'S DAILY" also reported that among the 2,000 graduates were still some who "were slow in making an ideological turn."

Indoctrination May Extend to Preschools

HK0508063889 Hong Kong HONGKONG STANDARD
in English 5 Aug 89 p 5

[Text] Political indoctrination in China may again reach into kindergartens and pre-schools, according to a United Nations observer.

Since the June 4 massacre, ideological study, which had been largely abandoned during the last decade of economic reform, has again become mandatory for adults. People working in schools and in the media were among the first affected.

While pre-school teachers undergo political instruction, it is not certain whether they will be required to teach politics to their young charges.

The United Nations Children's Fund (UNICEF) representative in Beijing, Mr Manzoor Ahmed, said it was possible that lessons in ideology would become mandatory in pre-schools and kindergartens.

Mr Manzoor said Chinese child experts were increasingly recognising the need to change traditional teaching methods that give children little opportunity for creative play.

Orders to teach ideology would clash with a growing belief by Chinese teachers that they should encourage creativity to prepare students for a complex world.

"This conflict is not unique to China," Mr Manzoor said. "All educators have a problem in relating the dominant values of a culture while at the same time forming critical, creative human beings. But how this balance tips can vary."

Mr Manzoor, who was an organizer of the child-hood in the 21st Century conference that ended yesterday, estimated that 25 percent of children have access to pre-schools in China.

Pre-schools are not a government responsibility in China, though the government is supportive of them.

Mr Manzoor, who has lived in Beijing for three years, said though China was a poor country "it has done very well by its children", particularly in the area of health.

In 1984 UNICEF began working with the government to immunise children against major child-hood diseases. At the time, 40 percent of the children were immunised and the target was to have 80 percent of the country's children immunised. The target has been surpassed by more than 10 percent.

UNICEF re-established ties with China in 1979. It will spend US\$80 million (HK\$624 million) over the next five years on cooperative programmes involving children in many parts of the country.

Meeting Considers Law on Protection of Minors

HK0208053389 Beijing RENMIN RIBAO in Chinese
29 Jul 89 p 2

[Report: "National People's Congress Special Group for Teenagers Convenes Meeting To Discuss Law on Protection of Youths and Juveniles"]

[Text] Beijing, 28 Jul—This reporter has learned from the Special Group for Youth and Juvenile Affairs under the Internal and Judicial Affairs Committee of the National People's Congress [NPC] that the PRC law on the protection of minors is being revised so that it can be submitted to the NPC for discussion and ratification as early as possible.

Since the first discussion of the draft law on the protection of minors last March, the National Office of Legislation for Youths and Juveniles has received some 500 memoranda from all sectors airing their views. Units, advisees, experts, and scholars attending the joint meeting on legislation for youths and juveniles presented many valuable opinions and played an active part in the revision of the draft. In late June, the office met once again to carefully study and revise the draft in light of the actual conditions with regard to the education and protection of minors in China and in accordance with the feedback of opinions.

The Special Group for Youth and Juvenile Affairs under the NPC's Internal and Judicial Affairs Committee held its second meeting today. The participants at the meeting presented their opinions on the further revision of the revised draft of the law on the protection of minors. During today's meeting, Liu Yandong, head of the Special Group for Youth and Juvenile Affairs and member of the Secretariat of the Communist Youth League Central Committee, delivered a speech entitled "Sum Up Past Experience, Consider the Future, and Strive To Foster a New Generation of Socialist Successors." The comrades participating in the meeting studied the recent important speech by Comrade Deng Xiaoping and the spirit of the 4th Plenary Session of the 13th CPC Central Committee, and made some valuable suggestions on the issue of education for youths and juveniles, which is now drawing extensive attention among the public. The participants in the meeting agreed that ideological and political education must have specific aims and that the legislative process must be stepped up in this regard.

QIUSHI 'Confirmed' as Magazine of CPC

HK0708020689 Hong Kong TA KUNG PAO
in Chinese 7 Aug 89 p 2

["Special dispatch": "CPC Decides To Run Its Own Official Magazine Again; Status of QIUSHI Magazine Redefined"]

[Text] Beijing 6 Aug—QIUSHI has been confirmed as a magazine of CPC Central Committee organs. According to a reliable source, a decision on this made by the CPC Central Committee was disclosed at a meeting of propaganda heads held recently by the Propaganda Department of the CPC Central Committee.

QIUSHI No 15, the latest issue, was published on 1 August. However, a QIUSHI advertisement carried in 30 July RENMIN RIBAO pointed out as usual: "The CPC Central Committee has authorized the Central Party School to run this theoretical magazine of the whole party."

Visitors Flock to Museum's Turmoil Exhibition

OW0408082789 Beijing XINHUA in English
0735 GMT 4 Aug 89

[Text] Beijing, August 4 (XINHUA)—An exhibition on the quelling of the counter-revolutionary rebellion in Beijing in early June has been attracting nearly 10,000 visitors each day since it opened in the Military Museum of the Chinese People's Revolution on Monday.

Among the visitors were workers, government employees, martial law officers and soldiers, people from other parts of the country and foreigners. A museum employee told XINHUA that many of them come in groups.

The exhibition features military materials, including helmets, shields and guns, stolen and damaged by thugs during the rebellion. At the center of the exhibition hall is a tricycle used by a worker to transport injured army men during the riot.

On display are also Molotov cocktails, loudspeakers, clubs and broken bricks, U.S. and Hong Kong dollars contributed to the rioters by overseas individuals and organizations, as well as overseas newspapers and magazines carrying articles supporting the turmoil and rebellion in Beijing.

However, the biggest crowds were watching a video tape of the anti-government riot. Pointing to the screen, a middle-aged woman told a child by her side, "Look, what a mess they turned Tiananmen Square into."

A visitor described the exhibition as "good teaching material" in the visitors' book.

Ruan Jiaxin, deputy director of the museum told XINHUA that many factories and government departments have made reservations for their employees to visit the exhibition which will be open for at least two months.

Ruan Jiaxin said, representatives from Wuhan, Harbin, Hangzhou, Tianjin and other cities have asked to video tape the exhibits for local propaganda and some suggested that the exhibition be moved to their cities.

Film on PRC Founding Finishes Production

OW0308063389 Beijing XINHUA in English
1340 GMT 2 Aug 89

[Text] Beijing, August 2 (XINHUA)—A feature film re-showing the grand ceremony marking the founding of New China has been finished shooting and will be shown before the eve of the 40th founding anniversary of the country which falls on October 1.

The following scene will be reappeared before the audience: "The People's Republic of China is now founded" the late Chinese leader Chairman Mao Zedong proclaimed to the whole world on October 1, 1949 on the rostrum of Tiananmen in the heart of the Chinese capital Beijing. [sentence as received]

The film produced by the Changchun Film Studio is entitled "Grand Ceremony for the Founding of New China".

The film presents all the major historic events which happened in 1949 such as the Chinese People's Liberation Army's triumph Huaihai Campaign, crossing the Yangtse River, Chiang Kai-shek's Kuomintang troops fleeing to Taiwan from the mainland. [sentence as received]

The film also tries to depict the inner worlds of the leaders of the Chinese Communist Party and Kuomintang by presenting some anecdotes of Mao Zedong and Chiang Kai-shek.

Apart from Mao Zedong, the film portrays some 140 historical figures of the Communist Party and Kuomintang including Zhu De, Liu Shaoqi, Zhou Enlai, Soong Ching Ling, as well as Li Zongren and Chiang Ching-kuo and even the then U.S. ambassador to China John Leighton Stuart.

For the first time it shows the contact between the Soviet envoy sent by Stalin and senior Chinese leaders.

BEIJING REVIEW on Post-Turmoil Situation

Army-People Ties Improve

OW0308005689 Beijing BEIJING REVIEW in English
No 31, 31 Jul-6 Aug 89 pp 16-19

[By staff reporter Yao Jianguo: "Between the Army and the People"]

[Text] By early July Beijing's summer season has already begun. Despite the temperature of over 30 degrees centigrade, however, Wangfujiang Street, one of Beijing's main shopping centres, is packed with pedestrians coming and going, and shops are teeming with bustling customers. Business here is, indeed, brisk. The scene of prosperity and excitement from former days has presented itself to us again. The sight of two or three sentry guards occasionally patrolling the streets reminds people of the disturbances which erupted over a month ago, and that the martial law is still in force in parts of Beijing.

The Western Changan Boulevard is Beijing's major thoroughfare. When I came upon a PLA [People's Liberation Army] unit of the martial law enforcement troops, I saw a young primary school teacher taking three of her pupils along to a sentry post. Pointing to a PLA soldier on duty, she told the pupils, "Without the PLA soldiers standing guard for us, there would be no peace and tranquillity in the capital, nor would there be a good environment for study...."

Hearing this, the pupils called out, "How're you, uncle soldier?" The soldier, who was besieged and beat by rioters and misunderstood by people unfamiliar with the truth about the event at the very beginning of the enforcement of the martial law in the city, was moved to tears.

People's Army

Between mid-April and early June, plotted by a handful of people, the student unrest in Beijing developed into turmoil and finally evolved into counterrevolutionary rebellion. At this critical juncture which concerned the destiny and future of the state, the People's Liberation Army (PLA) was ordered to enter Beijing to carry out the

martial law decree and quell the riot. However, because of the rumour that the PLA had come "to suppress the students and the masses" spread by a handful of bad elements, some people in the crowds tried to intercept and block the advance of the PLA.

Despite the fact that people were blocking their movement, the martial law enforcement troops took a very restrained attitude. Kuai Wangui, deputy director of the political department of one division, recalled that on May 19 when his motorized unit was advancing towards Beijing, it was besieged for three days and four nights and the soldiers could not get down from the vehicles to drink, eat or sleep; in the confrontation with rioters some soldiers were so badly battered that they were covered all over with cuts and bruises. Even under such circumstances, officers and men did not strike back, but instead were patiently persuading and explaining their work. Kuai explained, "Because we are soldiers of the people, we could not hurt the masses; so we strove to avoid conflicts." What confronted us were crowds, unaware of the truth of the matter, and a handful of bad elements.

Kuai said, "On June 3 when we were moving towards Tiananmen Square, our unit was also intercepted and attacked by rioters. To avoid hurting the ordinary people and attack a handful of riots, we had to get down from our vehicles and line up to move ahead, the 7-km course took us four and a half hours; 280 officers and men of our division were injured, a high price to pay."

The video tape showing the truth about the counterrevolutionary rebellion stunned many Beijing citizens. Wang Sen, section chief of the Bureau of Civil Affairs of Xicheng District of Beijing, said, "The fully armed soldiers besieged by unarmed people ignorant of the truth couldn't move a single step, thousands of officers and men were injured, and more than 1,000 military vehicles were burned or destroyed. When I saw soldiers who would be injured and finally killed in cold blood rather than strike back, I couldn't help shedding tears." This kind of behaviour could only be done by a people's army. During the quelling of the counter-revolutionary revolt, the PLA demonstrated with their own blood and lives that the aim of the troops entering Beijing to carry out the martial law decree was not to suppress the masses, but to defend the capital and the local people.

Masses' Support

In China, the people cherish profound feelings for the People's Liberation Army. During the quelling of the counterrevolutionary rebellion, although some people, instigated by a few bad elements, blocked the advance of the martial law enforcement troops, they renewed their trust in and love for the PLA once they knew the facts about the event. Many other people did not believe in the rumours but instead firmly believed that the PLA, being the people's own army, would not suppress the people. At critical moment they stepped forward to

protect and save many PLA officers and men, demonstrating that the relations between the army and the people are as close as between fish and water.

The officers and men of the 4th Company of one army unit of the martial law enforcement troops recounted that on the morning of June 4, they were surrounded by rioters and some other people ignorant of the facts at Zhushikou in Xuanwu District. At that time, when a group of rioters, with clubs and kitchen knives in hand, sprang on them, the situation was critical. At that moment, Ma Yuru, an old man, and seven other residents of No. 22 Compound in Zhushikou made their way into the crowds and took 28 officers and men to their homes for safety. Some unidentified people followed behind, demanding that they be allowed to take the PLA soldiers away. Ma Yuru said sternly, "The PLA soldiers are our guests; without government orders, without legal certificates, don't imagine that you can take away even one of them." After that, residents of the compound, armed in self-defence, took turns guarding the entrance against the entry of any bad elements. That evening, Ma Yuru got in touch with local police station and the police force, and the 28 officers and men returned safely to their army unit.

Meng Qingjun, a soldier of the martial law enforcement troops, went into the city with his army unit in the small hours of June 4.

As they marched on Qianmenwai Street, the army unit was dispersed and Meng Qingjun, pounded by bricks, fell unconscious. As he came round to the shouts, some rioters not only again attacked and beat him, but also poured gasoline over his body, threatening to burn him to death. At this critical moment, more than 20 approaching university students pushed back the rioters and sent Meng Qingjun to a hospital by tricycle. Having been given quick, emergency treatment, Meng Qingjun was soon pulled through. Then he returned to his army unit on June 9, still trying to find the unknown university students who saved his life.

Such events are too numerous to mention. Statistics show that during the time when counterrevolutionary rebellion erupted in Beijing, the masses of Beijing protected and housed around 1,000 martial law enforcement soldiers, armed police and public security offices.

In the process of putting down the counterrevolutionary rebellion, while some rioters were deservedly shot dead, some onlookers were accidentally killed or wounded, the masses grieved for this, but they also expressed their understanding. In the Fuxingmen No. 2 Residents' Committee, I interviewed a retired worker Liu Junqing, whose grandson was accidentally injured by a stray bullet but has now recovered his health. She said, "We'd settle accounts with the rioters. If the PLA officers and men were not intercepted and beaten and military vehicles were not burned, they wouldn't have fired."

Division of Civilization

In one division of the martial law enforcement troops, I saw a silk banner bearing the words "The Division of Power and Civilization." It had only been a month since the martial law enforcement troops entered the city. How did they win such a reputation?

Wang Bingfu, the division's secretary chief who is responsible for mass work, said, "On June 4, our Army unit was ordered to garrison itself in Zhongshan Park, situated in the centre of the city. Since there are many ancient buildings, pines and cypresses in the park, our army unit devised a special list of 15 prohibitions, including the writing, painting and inscribing on pavilions, corridors, houses or ancient trees; and the drying of clothes on trees. In order to avoid fire, although we had not had not meals for two days, we did not eat any other food than ship biscuits until we evacuated the park three days afterwards. The engineer battalion to which our army unit belonged had neither housing nor bedclothes the day they were garrisoned. It rained that day and our officers and soldiers had to pass the night lying on the ground under trees. Although wet to the skin, none of them entered the building to seek shelter from the rain."

Their strict observance of discipline also was evident in their duties. I carefully observed some of the sentry posts in Tiananmen Square and at major crossroads on Western Changan boulevard. The guards were in gallant array, standing with correct postures, strictly observing military discipline, and showing civility to the people. Since this Army unit entered the city to enforce the martial law, no officer or soldier has quarrelled with the masses.

People in the capital will never forget what the officers and men have done. Not long after putting down the counterrevolutionary rebellion in Beijing, the martial law enforcement troops sent several thousand officers and soldiers and several hundred vehicles to remove roadblocks and rubbles in order to quickly restore the urban traffic; upon learning that the city had supply difficulties, the troops sent vehicles to transport grain, vegetables and non-staple food; in order to restore a respectable appearance to Tiananmen Square, officers and soldiers cleaned the environment, cultivated lawns, planted flowers and trees together with cleaners and gardeners; medical and repair groups were sent to the streets and residential areas to serve the people.

Through their display of civilization and their love-the-people activities, the martial law enforcement troops have won great understanding and trust of the masses. The masses of people spontaneously set off an upsurge of activities to extend their greetings to the martial law enforcement troops, swamping them with an avalanche of letters to express appreciations and sending them large amounts of goods and materials. Su Zhenxian, a staff

sergeant of one unit, said to me that they were very moved when they saw so many units and organizations come in to express their appreciations.

Through checking the turmoils and quelling the counter-revolutionary rebellion, the relations between the army and the people will become ever closer.

Stresses Normalcy

OW0208140589 Beijing BEIJING REVIEW in English
No 31, 31 Jul-6 Aug pp 19-22

[By staff reporter Wu Naitao: "Beijing After the Counterrevolutionary Rebellion"]

[Text] Liu Li, a tourist from Sichuan, found Beijing, with the exception of the soldiers of the martial law enforcement troops standing guard in some places, unlike his expectations of a city which had just experienced a counter-revolutionary rebellion.

Liu who came to Beijing for the first time with a domestic tourist group said to this correspondent, "I've been to almost all the major scenic spots in Beijing. Unfortunately, time flies so fast that I'm afraid I won't be able to go to the Great Wall this time."

In July, a good tourist season in Beijing, people from other provinces, like Liu Li, can be found everywhere in the capital's parks and shopping centres. However, compared with the previous years, the number of Chinese and foreign tourists is obviously fewer, evidence of the effects of recent events. But, although tourist and commercial departments are having a hard time, Beijing citizens have discovered more space and other benefits for themselves in the city. Public places and traffic are no longer unbearably crowded; the prices remain stable; and people do not have to queue up to buy things.

Factories

According to the statistics of the Beijing Economic Commission, after the city's more than 170 bus and tram lines and the subway restored normal operation from 5 am to 11 pm on June 13, by June 22, all 900 industrial enterprises under the 16 industrial corporations of the commission had begun normal production.

When the Beijing General Inter-Combustion Engine Plant started up operations on June 10, the workers showed great enthusiasm in their work and assembled 640 gasoline-fueled engines on June 16, hitting an all-time production record for the factory. Director Huang Jixin said, the factory, with 20,000 employees, can only operate normally with 2 million yuan of income of sales and 200 million yuan of available funds each day. In June, however, it suspended production for almost ten days. Without almost any income during those days, the factory found it a problem to simply pay the workers' wages for the month. Director Huang explained the situation clearly to the workers, and pointed out that

they must strive to make up for the losses caused by the rebellion if they want to protect the results of reform, fulfill the targets for which they have contracted and raise the enterprise's economic efficiency. Hearing this, all the workers agreed to work overtime to increase production. Today, "Make up for the losses caused by the rebellion" has become a universal slogan of the Beijing industrial systems.

Recreational Business

With regard to recreational businesses, the hope of making up for the losses lay in continuing to provide service. In early June, almost all the recreational facilities in the city had to suspend operation. Li Musha, manager of an amusement centre in the busy Xidan shopping centre, said because the centre is responsible for its own profits and losses they were unwilling to close their doors. But, during the days when they had no customers, they had to temporarily close the business.

Until about June 10, with an easing of the tension, many public places reopened. Riding a bike here and there in the downtown area on July 10, this correspondent saw people buying tickets at many cinemas and theatres and, in fact, according to a local newspaper's column of film announcements that day, there were 47 cinemas showing films. Yu Xiaoli, a responsible member of the Shoudu (Capital) Cinema, admitted that the cinema's seating capacity in the second quarter was only 77 percent, a drop of 4 percent from the first quarter; the night show has not been revived. But, she said, the situation has taken a turn for the better in July. Between July 1-5, the cinema gave 59 shows, and the seating capacity equalled that of the same period last year.

However, Li Musha, who runs a billiard room and a cafe, complains that although he has extended the business hour to 12 pm, his business is still not as brisk as before. Talking about the reasons which adversely affects the turnover of recreational facilities, the man said that after dark, the sentries of the martial law enforcement troops would sometimes stop passengers and examine their identification cards. "Since most Beijing citizens are still not used to carrying their ID's they avoid trouble by reducing their nighttime activities," Li said.

Evening Market

Nevertheless, Beijing's evening is still bustling. Everywhere on the street pavement there are people enjoying the cool air or taking a stroll as children chase each other about the lawns. Round-the-clock watermelon stalls are sprinkled like droplets of rain on nearly every street and lane, as the owners solicit customers loudly under the bright electric light. A private stall owner said he sells watermelon two months out of every year and finds this year's business as good as before. "I've earned this sum," he aid, holding up three fingers to indicate that he already had made 3,000 yuan.

In a nighttime garment market at the Xidan crossroad, the several dozen stalls selling colourful summer fashions were surrounded by customers; those who really did buying, of course, are as always young girls pursuing things in vogue. A market manager said that as before, the night market is now open till 10 pm, and the business is brisk with many customers. But, he said, high-quality items do not sell as well now as in the past when expensive clothes enjoyed very brisk sales. He wondered if there was a change in the purchasing psychology of consumers.

The Lotus Flower Art Festival sponsored by Beijing and Sichuan Province's Chengdu City opened on July 8 in downtown Beihai Park. The 810-year-old park, dotted with more than 50 clusters of Beijing and traditional Chengdu artistic lanterns and 40 lotus flower gardens, is lit up after dark with the aid of lasers and sound-control techniques. A magnificent and rare Sichuan dragon lantern, exquisitely made of sugar, weighs 4 tons. The lotus flowers, 150 varieties in all, are superior plants carefully selected from all over the country. On the opening day, more than 30,000 people, bringing along their old and their young, attended the festival.

Summer Vacation

Like years past, primary and middle schools in Beijing began their summer vacation on July 13 so more and more students have taken to the streets. Particularly video games rooms and swimming pools now resound with their noise and excitement. Ding Liping, dean of a primary school in Xicheng District, said the list of the city's unified entrance examination for junior middle schools was published on June 20 and work on recruiting new primary school pupils was completed as scheduled. The number of students applying for the evening art and music classes run by her school during the summer vacation has already topped the allowed number.

The nation's annual unified university and college entrance examinations wound up on July 9. According to Zhan Shenggen, deputy director of the office in charge of the enrollment work of institutions of higher learning in Beijing, 34,800 Beijing students took the entrance examination this year, and the ratio of those to be admitted is 2.2:1. It is reported that this admission ratio is the highest for Beijing examinees since restoration of the college examination in 1977. University entrance examination is a big event in China. During the examination, related departments in Beijing adopted measures to ensure a successful examination process. The power supply bureau ensured power supply for the areas where the examination was held. The public traffic department increased the number of buses and trams to enable all the examinees to get to the examination halls on time.

Service

Most of the capital's small and medium-sized department stores, catering and service establishments and banks resumed business on June 9. The four biggest

department stores in Beijing—the Wangfujing Department Store the Dongan Market, the Xidan Emporium and the Longfu Mansion—Reopened their doors on June 10 after six days' suspension of business, operating as in the past 12 hours a day. According to a manager from the Wangfujing Department Store, the average daily flow of customers is now about 70,000 and the daily turnover is 900,000 yuan, down from last year's figure of 1.3 million yuan. The management department plans to strengthen its advertisement and publicity and take various measures to attract customers in order to restore the store's sales volume to normal as quickly as possible.

A dozen or so people, two-thirds of them intending to deposit money in the bank, formed a queue at a savings bank in Nanlishi Road. One old man named Liu who was depositing 3,000 yuan said, "Some time ago, people were on tenterhooks and I withdrew all my fixed deposits from the bank. Now everything is all right and it's of no use keeping the money at home. I'll deposit it again in the bank."

Before and immediately after the rebellion in Beijing, the city's telecommunication, civil aviation and railway links with other parts of the country and other countries remained open. The Beijing Airport was not shut for even a moment and scheduled domestic and international flights were operating normally. Passenger trains at the Beijing Railway Station were also on schedule. Early in June, the number of telegrams handled by post and telecommunication offices in Beijing doubled and redoubled. Most of the telegrams inquired about or informed of the safety of the citizens in Beijing. On June 10, this correspondent visited the Telegram Centre located in downtown Beijing and found only a few people queuing to send telegrams although people did from a queue at the domestic and international windows for direct-dialing telephone kiosks; at that time, all 20 telephone kiosks were occupied.

Tiananmen Square

The Tiananmen Square has been restored to its former clean and dignified appearance, as soldiers in full battle dress stand guard. Except for certain collective activities that can be held on the square, people are not allowed to pass at will through the area. However, all motor vehicles and bicycles can freely pass the area in front of the Tiananmen Gate and the eastern and western sides of the square. Some quick-witted treaders have seized the opportunity to put their double-seat tricycles near the edge of the square and be available, for a charge, to transport those who want to have a careful look of Tiananmen and the square.

The Tiananmen Rostrum which was closed for more than a month reopened to visitors on July 1. A continuous stream of visitors have mounted the rostrum to overlook the five-km long Changan Boulevard and the

Tiananmen Square. According to Yuan Heng, a responsible member of the Tiananmen Rostrum Administrative Office, since the reopening of the Rostrum, it has, on the average, received 1,330 visitors daily, most of whom come from outside the city.

To the north of the Tiananmen Gate is the Wumen (Meridian) Gate, which is also the southern gate of the Palace Museum. According to Wang Xiulan, a responsible member of the Wumen Gate booking office, an average of 20,000 tourists visit the Palace Museum daily, a lower figure than that of the same period last year. One of the reasons, Wang said, is that pedestrians cannot go directly to the Palace Museum from the Tiananmen Gate, but have to detour to the Wumen Gate which takes them half an hour. Many visitors from other parts of the country have lost the chance to visit the Forbidden City because they didn't know the route.

Soldiers

Since the martial law was enforced in Beijing, the soldiers have observed rigid discipline. They do not go into the streets at their leisure except while on duty and therefore very few soldiers now can be seen in the streets. Those soldiers on sentry duty casually rest their hands on their tommy gun handles. The Changan Theatre at Xidan crossing is the only recreational place in Beijing where, as this reporter has found, soldiers are stationed. Two guards stand at the theatre gate with loaded rifles. Although they look carefully at all who pass by in this busy section of the city, the pedestrians pass them leisurely and look carefree. They take their meals in the nearby restaurant, do shopping to the right of the theatre and have their cold drinks at the night market just opposite. Though not forgetting that martial law is still in force in Beijing, people are going about their business as usual.

Commentator Views Difficulties of Reform

HK0208100189 Beijing JINGJI GUANLI in Chinese
No 5, 1989 pp 11-12

[Commentator's article: "We Must Fully Appreciate the Difficulty of Reform"]

[Text] The central authorities decided that beginning this year, the state would spend about 2 years on the work of straightening out and consolidation, and would endeavor to establish a new order for the socialist planned commodity economy. Therefore, some people think that it was wrong to carry out reform, that it is going to be stopped, and that it is possible that we may return to the old practice. In fact, this is simply a misunderstanding.

The great achievements of reform over the past decade are widely known facts. In a large country such as ours, it is obviously impractical to smoothly and correctly carry out such complicated and arduous reform without any problems, difficulties, or setbacks. Not long ago,

people might have taken the progress of reform too simply and smoothly, so they were caught unprepared by its arduousness and complicity. In fact, it is easy to sit back and discuss theories, but putting them into practice is not so simple. In some cases, we might have thought that our suggestions were perfect and very reasonable, but we encountered many complicated situations when we put them into practice. Results of our experiments were often different from our original assumptions or were entirely different. Even those relatively assured measures are infected with problems. No method or policy is perfect or has no shortcomings. The key to handling this is to promptly offer feedback for, solve, and rectify problems whenever they are found. Only in this way can we guarantee that China's reform and modernizations will make continuous progress. The appreciation of reform over the past decade by the central authority is: A number of minor mistakes were made though there was no major one. To put it in a nutshell, there has existed a tendency to make achievements in a hasty manner in our economic construction and social development. It is the attitude of seeking truth from facts that matters. An important aspect is that we should be mentally prepared for the arduousness and complexity of reform, and have a correct understanding about certain setbacks, difficulties, or even sufferings created by reform. It is unswerving that our present situation is neither as serious as reported by overseas news wire services nor reached a hopeless stage.

There must be difficulties, risks, setbacks, or even sufferings whenever we carry out reform. In order to gain the final victory, it is necessary and inevitable that we must pay a certain price, which is sometimes a considerable one, in a certain period. Sooner or later, we must carry out reform. The cost will be much greater than the present one, and our time of backwardness will be extended if we pay at a later time. All people across China must understand this principle.

It is widely known that some of China's present economic problems are closely related to macroscopic readjustment and control, as well as management and supervision, which failed to promptly and effectively catch up with development. The reason for this was mainly because of two kinds of confused understanding which have yet to be clarified and rectified. First, it was believed that both the central authority and the State Council were concerned about macroscopic control, while localities were mainly concerned about opening up and invigoration. Obviously, this is one-sided thinking. As a matter of fact, the central authority has been trying to enliven the microeconomics while handling the macroscopic control. Local governments must perform their functions of macroscopic readjustment and control within their localities and correctly instruct and supervise the work of opening up and invigoration, while submitting themselves to the state's macroscopic readjustment and control. They must, in the light of the local situation, earnestly carry out and enforce instructions adopted by the central authority, as well as policies,

orders, and regulations promulgated by the State Council. Nobody is allowed to "work out countermeasures against policies adopted by the upper level." Second, it is erroneous to consider management and supervision as conflicting with the work of opening up and invigoration. In fact, in order to ensure a healthy development of reform and modernization, we must carry out reform and invigoration under the necessary management and supervision of the state. Moreover, only when we strengthen our management and supervision and establish a new order for the socialist commodity economy can we have a reliable guaranty for our opening up and invigoration. To strengthen supervision is a very important issue. We must gradually establish a supervisory system, and establish a new economic order. We must strengthen discipline in the work of straightening out and consolidation. We must resolutely prevent an organization from arbitrarily expanding its size or starting a project, an organ or organization from running business or practicing speculation, or a person from violating law and discipline such as smuggling and tax evasion. At present, there are always a few people who like to work out "countermeasures" against the central authority. Whenever you decide to straighten out and consolidate companies, they then turn companies into "enterprise groups." Whenever you decide to ban social groups from purchasing commodities which are subject to state control, they then go on a spree to buy such commodities. This is an utterly evil practice. Not only is this detrimental to the local interests, but to the overall interests of the state as well.

Reform is a new undertaking. It is very complicated in many aspects, and we have not practiced it before. Therefore, when we carry out reform, we must have a clear direction, clear goals, and principal theoretical instructions, as well as cautious actions. We must leave some space when carrying out each step of specific reform. The first step must not be too profound or too firm, and we must not place all efforts on one foot. Nevertheless, we must not have a confused understanding in two aspects. First, neither the line of the 13th CPC Congress nor the principle of the 3d Plenary Session of the 13th CPC Central Committee can be changed. If either one is changed, it will be impossible to insist on reforming and opening up. When summarizing our experience, carrying out consolidation, and finding a better solution, we can only insist on the precondition of not changing the two "upholds." This may be a "blessing in disguise". This is because experience itself is a fortune. Furthermore, we must not change the strategy of developing the economies of coastal regions. This is because this has a bearing on the initiative of 200 million people. In short, the chosen general direction, as well as the line and principles, must not be changed. As for the issue concerning the focal point of our actual work in a certain period, we may make readjustment in this respect. Second, the central authority must be authoritative. The central authority was authoritative before the "Cultural Revolution," and was weakened afterward. We should spend 2 years on straightening out and consolidation,

and endeavor to reestablish the authoritativeness of the central authority. We should realize that China would not see any great changes without the correct leadership of the central authority or that series of principles and policies following the 3d Plenary Session of the 11th CPC Central Committee. This is a principle that the masses understand.

Reform is arduous work. In the future, there will still be new setbacks, difficulties, or even sufferings in the course of reform. But our reform must gain the final victory, in which we should have a firm belief.

LIAOWANG Outlines Democracy Limits
*OW0608220089 Beijing XINHUA Domestic Service
in Chinese 1204 GMT 6 Aug 89*

["Local Broadcast News Service"]

[Text] Beijing, 6 Aug (XINHUA)—The forthcoming issue of the journal LIAOWANG carries a signed article entitled: "Democracy Must Not Go Beyond Social Development." Excerpts of the article follow:

The lesson from the recent counterrevolutionary rebellion tells us that when we stress democracy, we should not only clarify the class nature of democracy, but also realize that democracy must not go beyond social development.

First, democracy must not go beyond national conditions. Our country has a large population and vast land area, but our natural resources are insufficient, the country was closed for a long period of time, and our commodity economy is underdeveloped. The establishment of a democratic system has to be affected and restricted by these factors. When many people are still rushing about toiling for basic needs in food and clothing all day long, it is impossible to expect them to participate in a high degree of democracy. Even if a so-called democracy were to be enforced, the interference by various factors would give rise to individualism, factionalism, and anarchism, resulting in a de facto nondemocracy, and even chaos. The socialist system in China is a genuine democratic system under which the people are the masters. Since we are still in an initial stage of socialism and our democracy is an initial stage as well, the superiority of our democracy will be revealed gradually. If we cherish the illusion that a rushed acceleration of democracy can rapidly perfect our system and remedy all social evils, the results will be the opposite of what we expect.

Next, democracy must not go beyond the people's educational level. At present, our people's educational level is generally on the low side. There are many illiterates and semi-illiterates. Feudal thinking is serious, and remnant feudal practices, such as clanship and brotherhood, still exist. We lack democratic practices, experience, and habits. Even many college students have a specious understanding of the definition of democracy, know very

little about the democratic system and theories of democracy, and generally lack the necessary mental preparation and training for fulfilling democratic duties and exercising democratic rights. Some people greatly admire Western democracy, but their understanding of it is inadequate. Without a systematic and comprehensive understanding, their knowledge is superficial and they know very little about the nature, origin, and course of development of Western democracy. Under such a situation, how can our people keep up with democratic progress that is too rapid?

Third, democracy must not go beyond the legal system. Democracy first indicates the system of a country, and it reflects the will of certain classes. Democracy itself is not the end. It is for the purpose of promoting social development. China's Constitution and laws embody the will and interests of the broad masses of people; they are the instruments for protecting the interests of the state and the people and for accomplishing the tasks of the people's democratic dictatorship. Therefore, democracy and the legal system are fundamentally one. Democracy is the basis of law, but democracy must be protected and restricted by law. In our country, the laws are binding not only on our enemies, but on the people as well. We are able to ensure a social stability only when the laws are observed by all. All people, without any exception, must act within the limits of the Constitution and other laws. For the same reason, the development of democracy must also proceed within the bounds of the Constitution and other laws. Going beyond the law can only trample on and destroy democracy. "Seeking democracy" by undemocratic and illegal means will inevitably disturb the normal order in society, no matter what the intention is.

While developing the economy, we must work in consideration of China's realities under the party leadership and under the guidance of Marxism, and carry out proper exploration to create a genuine socialist democracy that is better than capitalist democracy. We must discard many hypocritical and superficial things of capitalist democracy, and give democracy new, more profound, and more practical contents.

Paper Urges Party Building in Higher Education
*OW0208235889 Beijing GUANGMING RIBAO
in Chinese 24 Jul 89 p 2*

[Article by Hu Xiaoxuan (5170 1321 1357): "It Is an Urgent Task To Strengthen Party Building in Institutions of Higher Learning"]

[Text] The mainstream at institutions of higher learning, as far as the rank and file of party members and party organs are concerned, is good. At the crucial moment during the period from the student unrest and turmoil to counterrevolutionary rebellion in Beijing, most party organs and party members withstood the severe test. Despite the deception of a considerable number of people, party organs at all schools and a group of party

members stepped forward bravely. Taking a clear position, they conducted mass work very well in accordance with the guidelines of the CPC Central Committee and in light of the actual situation at each school. They played a major role in opposing the turmoil and quelling the rebellion.

However, we also saw a small number of comrades who had confused ideology. Some were passive and had low morale because they had lost their belief in communism and faith in socialism. Some had lost their stand and made serious mistakes during the turmoil and counter-revolutionary rebellion because they were influenced by corrosive bourgeois liberalization. There were also some party members who, being sympathetic to some viewpoints of bourgeois liberalization, failed to be of one heart and one mind with the party and government at the critical moment. They were thus unable to do mass work in a correct manner and to help the party and government stop turmoil and quell the rebellion. During and around the period of turmoil and rebellion, some individual party branches were paralyzed and totally lost their combat force. The above serves to explain why it is urgent to strengthen party building at institutions of higher learning.

Summing up the situation in the previous period, we find that there were at least a few problems existing at our institutions of higher learning. For example:

1. Strenuous efforts were not made in education inside the party, which led to a serious situation of ideological confusion inside the party.

It is an excellent tradition for our party to build the party with ideology. It is also our fundamental principle to build our party with ideology. Since the 3d Plenary Session of the 11th CPC Central Committee, party organs of colleges and universities and the great masses of student party members, together with other members of our party, under the ideological guidance of liberating ideology and seeking truth from facts, made great progress in ideology and experienced fundamental changes in some areas. However, accompanying the drive of reform and opening to the outside world, bourgeois ideology took the opportunity to break into our society. Owing to some mistakes in our work, the idea of bourgeois liberalization became rampant, creating serious ideological confusion inside and outside the party. We were poorly prepared to do our job of educating party members. Some people attributed this to the following: Theoretical education could not keep pace with the times; poor-quality work was conducted in education about the situation; and a poor job was done in stimulating aspirations and faith. In the past few years, education about the Marxist position, viewpoint, and methods has almost been neglected. Little attention has been paid to educating the people that class struggle

still exists in some areas. Therefore, it stands to reason that there has been a lack of sense of the political struggle among party members, especially among party members who are young teachers.

2. There has been slackness to various degrees inside the party organs, which, in turn, has become a reason for a shortage of combat forces.

The fact that the idea of anarchism, which was so rampant during the Cultural Revolution, was not completely eradicated and that bad phenomena existed inside our party led to laxity to various degrees among some grass-roots party organs. Many comrades expressed their concerns about this situation. They believed that it was more dangerous than violations of laws and regulations by a small number of party members. Party life was very loose in all party organs at various levels, especially at the post-graduate level of some key colleges and universities. Only 20 to 30 percent of post-graduate students were party members. The activities of party life were comparatively loose because they were conducted by post-graduate students themselves. Some party branches did a poor job during the period of quelling turmoil and counterrevolutionary rebellion. Some individual party branches were even paralyzed.

3. The relations between the party and the masses were not strong enough. As far as the people are concerned, the party became weaker in its cohesiveness and appeal.

The student unrest of recent years reflects the influence that bourgeois liberalization has had on young students. It also reflects the fact that there are problems existing in the relations between the party and the people. The loose relations between the party and the students were not only caused by problems inside the schools, but by poor relations between the party and the people. Some mistakes in our work in the past few years, unhealthy conditions in our democratic life, lack of fairness in distribution, and particularly corruption on the part of some party members has indeed done great damage to the relations between the party and the people. The people were very unhappy about this. Surprisingly, Comrade Zhao Ziyang said time and again that corruption was unavoidable during the initial period of developing a commodity economy. This has made it very difficult for the party to overcome corruption effectively.

The work style of the party and the general mood in society have not taken a good turn in the last 2 years. They have even continued to deteriorate in some aspects. The relations between the party and the people have become tense. This has exerted a strong passive influence on the efforts by grass-roots organs to improve party-people relations.

4. Since the separation of functions between the party and the government, the position and role of the grass-roots party organs in colleges and universities has not been as clear as before. Therefore, the party leadership has weakened considerably.

A small number of schools have already implemented the principal responsibility system. Most of the schools are still practicing the principal responsibility system under the leadership of the party committee. However, the party committees are no longer handling administrative work. Since the position and role of the party organs in schools are not clear, some people say that the party organs in colleges and universities are "like quilts we use during wintertime—we drag them to cover our bodies when it is cold, but we kick them away when it is hot." It is only when student unrest and unexpected accidents happen that the leaders at the upper levels think about playing their role as party organs.

The essence of the problem lies in the fact that Comrade Zhao Ziyang had a different viewpoint on the functions of grass-roots party organs from that of Comrade Deng Xiaoping, who believes in the party organs playing a role as supervisor and guarantor—an idea which is expressed in his works. Zhao proposed a vague idea on "something similar to party committees in the administrative organs." In fact, he wrote off the important political functions which must be borne by the grass-roots organs. In March of this year, he was still of the opinion that the position of the party committee was but a supplementary one in ideological and political work in enterprises.

Under the influence of this ideology proposed by Comrade Zhao Ziyang, it was not clear as to how the grass-roots party organs would play their role as guarantor and supervisor. Since they had no legal position, they could not play the proper role as the party, because, while it would be easy for them to "guarantee," it would be really difficult to "supervise."

5. There are not enough successors in the rank and file of political workers. Cadres involved in party work, or in a larger sense, cadres involved in political work, do not have enough successors. This is a common problem in all colleges and universities. All the party work in these schools is mainly handled by comrades in their fifties, with the help of some comrades in their forties. There is only an extremely small number of young comrades who want to devote themselves to ideological and political work.

The reason there are not enough people who are willing to work in this field is that social position and pay are not very attractive. In terms of job appraisal, the reasons are almost all related to social position, pay, and even the problem of husbands and wives working and living in different places. It has become a necessity for party cadres to promote their intellectual standards and work

ability, but they have neither opportunities nor the conditions to study, to improve themselves, or to participate in meaningful social functions.

In the past several years, Comrade Zhao Ziyang repeatedly played down the leading role of the party, the role of ideological and political work, and the role of cadres in charge of political work. It was precisely under the guidance of this erroneous thinking that such fallacies as "the party's work can be done in spare time, the posts of party cadres can be assumed by people on a concurrent basis, and the role of the party can be reduced" were discussed a great deal. The work of party building weakened, ideological and political work weakened, mass work weakened, and the ranks of political workers weakened. Those who attempted to negate the four cardinal principles gained enlightenment from the stands of Comrade Zhao Ziyang. They became more aggressive in attacking the party's leadership, slandering ideological and political work and smearing cadres in charge of political work in order to eventually realize their goal of eliminating the party's leadership.

The mission of schools of higher learning is to cultivate people who will have both ability and political integrity for the socialist cause of our country. Whether we can ensure that schools of higher learning will run schools with a socialist orientation and cultivate people with both ability and political integrity or not will have a bearing on the future and fate of the party and the state. The party Central Committee has pointed out: It is imperative to make up our mind to seriously straighten up party organizations at various levels ideologically and organizationally. In summing up the experiences and lessons of this struggle, it is indeed very necessary for us to soberly recall and contemplate the party's work in order to strengthen party building and ideological and political work; otherwise, schools of higher learning will not be able to resist corrosion from the ideology of bourgeois liberalization, will not be able to adhere to the socialist orientation in running schools, and will not be able to ensure the realization of the task of cultivating people with both ability and political integrity.

Party School Official Speaks on Marxism
OW0208061789 Beijing GUANGMING RIBAO
in Chinese 22 Jul 89 p 3

[Speech by Han Shuying, vice president of the Central Party School: "It Is Necessary To Criticize All Funny Talk and Absurd Arguments and Earnestly Adhere to Marxism" under the general title, "Reflections on Theoretical Work and Clarification of What Is Right and What Is Wrong in Theory—Speeches Delivered at a Discussion Meeting of Theoretical Circles in the Capital, Sponsored by the Theoretical Bureau of the Propaganda Department of the CPC Central Committee"]

[Text] When opposing the four cardinal principles, those who obstinately persist in taking the stand of bourgeois liberalization invariably launch an unbridled attack

against Marxism. When Fang Lizhi was abroad after his expulsion from the party, a Western reporter asked him: You oppose everything from the primary organizations up to the top. What will be your next target? Without mincing his words, he said: Marxism. He believed that his opposition to Marxism in the past was not enough, and that in order to match his reactionary advocacy of total Westernization, it was necessary to take drastic measures in dealing with the situation by further concentrating every effort on attacking Marxism, the theoretical basis of socialism.

In recent years, a number of people not only negated the theories and viewpoints pertaining to Marxism in every branch of learning, but also published all sorts of funny talk and absurd arguments aimed at completely negating and opposing Marxism. Following are some examples.

"The talk about it being outmoded" argues that Marxism is nothing but a cultural phenomenon of the 19th century, that it is outmoded, and that it ought to be shelved in a historical museum. They use the means of publicizing relativism to negate the universal truth and general pattern of historical development which have been repeatedly vindicated by practice and have been brought to light by Marxism.

"The talk about the pluralism of truth" argues that all schools of thought and theory contain their respective truths and that Marxism is but one of them and, therefore, negates the role of Marxism as a guidance for our cause. This kind of talk can only serve the theory of the capitalist class by boosting its arrogance in attempting to take over the role of ideological guidance and ultimately change the socialist nature of our cause.

"The talk about its scope of application" argues that any science has its own scope of application and that Marxism can only serve as a guiding principle for the political affairs of the state and cannot be used to guide academic research. This kind of talk negates the universal guidance provided by Marxism in terms of scientific world outlook and methodology, and attempts to uphold the guiding position of the world outlook of the capitalist class in the field of academic research.

"The talk about its effectiveness for a given period of time," which divides Marxism, which has enjoyed unity and integration through continuous development, into two categories—classical Marxism and modern Marxism—argues that classical Marxism can no longer solve the numerous major problems confronting us today. Unless we resort to the basic principles of Marxism promulgated by Marx and Engels (in other words, "classical Marxism"), unless we adopt the stand, viewpoint, and method they defined for observing problems, and unless we apply them to the solution of the major problems facing us today, what other recourse can we have to promote our cause so that we can further develop Marxism? Does this not mean that the basic principles of

"classical Marxism," together with its specific conclusions, are completely or mostly ineffective? If this is so, what kind of thing can so-called "modern Marxism" be?

"The talk about it being ossified" argues that what is being implemented in China at present is ossified Marxism, and that theoretical development must break through and shatter this ossified Marxist framework. This kind of talk, in fact, argues that Marxism itself is an accumulation of ossified doctrines no matter whether or not Marxism is being continuously enriched and enjoying continuous development. It opposes the scientific theory of Marxism, which has a well-organized system, in order to revise and castrate Marxism and replace it with another doctrine.

And so forth.

In recent years, because of the lack of consistency in the campaign to oppose bourgeois liberalization, and because of the connivance indulged by some people in these types of absurd arguments against Marxism, they caused a temporary clamor, created confusion, and resulted in extremely harmful and pernicious consequences. If Marxism is negated, how could we have the theoretical bases of adhering to the socialist road, people's democratic dictatorship, and the party's leadership? Comrade Zhao Ziyang, in his capacity as general secretary, said: By adhering to the four cardinal principles we mean to stress the party's leadership only. All other aspects must be weakened or toned down. If the weakening goes on in such a way, will not the party's leadership also be completely "weakened" until nothing at all is left in the long run? We have learned an extremely unforgettable lesson from the ideological trend of bourgeois liberalization, its unchecked spread, and the escalation which turned it into the recent political turmoil and counterrevolutionary rebellion. This lesson gives us much food for thought in many aspects. The grim facts reveal to us once again how necessary and important it is to firmly stick to the front of Marxist ideology and theory. The quelling of the counterrevolutionary rebellion and the successful holding of the 4th Plenary Session of the 13th CPC Central Committee have turned the tide and created extremely favorable conditions for us to adhere to the four cardinal principles and take a clear-cut stand on opposing the ideas of bourgeois liberalization. However, we must not fail to realize that the struggle must be continued for a long time to come, that it is a difficult and complicated one, and that work must be conducted in various fields of endeavor to uphold Marxism.

The pernicious influence caused by the ideological trend of bourgeois liberalization is already very deep and widespread. To uphold Marxism, it is necessary for us to thoroughly criticize, one by one, the major arguments of bourgeois liberalization against Marxism in a scientific and persuasive manner, so as to gradually get rid of this pernicious influence. It is also necessary for us to make vigorous efforts to arm the broad masses of cadres,

people, and, in particular, the younger generation, with the Marxist world outlook as well as its outlook on life and values under the new conditions of reform and opening to the outside world, so as to enable them to resist and eliminate the decadent bourgeois ideology as well as the remnants of feudalism, improve the general mood of society, eradicate corruption, and continuously expand the Marxist ideological front in the course of the struggle.

Adhering to Marxism means persevering in integrating theory with practice, applying the basic principles of Marxism to socialist construction and reform in a highly conscientious manner, and overcoming the pragmatist tendency of paying little attention to the guidance provided by Marxist theory. Pragmatism can only mislead us to major mistakes in our work and make us lose our bearings in the complicated struggle. We need to sum up past experience and draw a lesson from it. Only by using the telescope and microscope of Marxism to observe new problems and provide scientific solutions for them and only by continuously promoting our cause in the direction of socialism can we keep reducing the scope for publicizing bourgeois liberalization with the facts of the continued successes of Marxism.

When we adhere to Marxism, it is necessary for us to correctly handle the relationship between our adherence to it and our efforts to promote its development. We must adapt ourselves to the demand of the times and keep promoting Marxism in big strides on the basis of continuously summing up practical experience and assimilating new scientific achievements, so that we may use it to guide us in our undertakings of socialist modernization and observe and grasp the intrinsic quality of modern times, the development and essence of capitalism at the present age, and the processes of change and development of socialism in the contemporary era. It would be impossible for us to provide scientific Marxist answers to the new problems of our times or to oppose bourgeois liberalization in a highly effective manner without the major developments of Marxism. In the course of our efforts to enrich and develop Marxism, it is still necessary for us to keep emancipating the mind. By emancipating the mind, we mean getting rid of concepts which are not and are no longer in keeping with the essential spirit of Marxism and objective realities. In this respect, we mean that we will adhere to Marxism in a better way. It is entirely different from the slogan of "emancipating the mind" which is preached by those who advocate bourgeois liberalization and which is aimed at negating Marxism. In our theoretical discussions, we should still persist in the policy of "letting a hundred flowers blossom and a hundred schools of thought contend," so as to make a strict distinction in theory between the boldness of Marxism in innovation and bourgeois liberalization. We need to use the scientific component part of some foreign ideologies for reference and make vigorous efforts to assimilate them. However, this does not mean that we should blindly import them for application in China. We must not use

them to replace Marxism, to advocate eclecticism, or to mechanically mix them up with Marxism. This is not the way to enrich and develop Marxism, but to make a mess of it.

Political Education of Students Discussed
OW0308075589 Beijing GUANGMING RIBAO
in Chinese 24 Jul p 2

[Article by Li Gaoyun (2621 7559 7301), deputy director of the Ideological Education Work Office of the People's University of China: "Ideological and Political Education Should Be Linked With the Actual Thinking of University Students"]

[Text] Now, we have won a basic victory in putting down the counterrevolutionary rebellion. While celebrating the victory with joy, we have to note the arduous nature of the work of ideological and political education in universities. The reality we are facing is that we must use ideological and political education to save this generation of university students who have suffered serious mental wounds due to our omission in education in the past 10 years, the spread of the thought of bourgeois liberalization, and especially the instigation by counterrevolutionary propaganda and rumors for 50 days or so. In the struggle against the bourgeoisie to win over successors, we must maintain high political vigilance, get an accurate understanding, and make a scientific analysis of the present mental state of university students, so that our ideological and political work can be made to come into line with the actual thinking in the students' minds and play its due role to the fullest. In this way, we shall be able to triumph in the struggle on the ideological front to win over successors.

Regarding the state of thinking in the minds of university students, we should avoid talking in general terms. Currently, there is a practice of generally talking about the university students' patriotic enthusiasm, as if all their extreme acts during the turmoil had resulted from this "enthusiasm." In other words, they had good intentions, but bad application. The reality that university students participated in the student movement, turmoil, and rebellion which lasted for 50 days or so clearly indicates that no accurate assessment can be made of their state of thinking and their conduct if we simply rely on generalizations without analysis. Most people are likely to consider "university students" as being pure and naive, without experience in political struggle, and easily used by others. As a matter of fact, however, university students are quite different in their political stands, attitudes, and behavior because of their differences in age, duration of schooling, and experience. Hence, we should objectively assess their ideological state and political awareness in different depths according to the political criterion. Otherwise, our work of ideological and political education may become perfunctory because it does not meet the precise requirements.

Freshmen and sophomores are about 20 years of age. Due to a lack of systematic and regular ideological and political education, most of them are pure and naive, without any concept of political struggle, and their lives and world outlooks are immature. Since they are still in a psychologically immature stage, they are most likely to be exploited and instigated. Although many of them took part in the demonstrations, class boycott, and hunger strike, most did this with curiosity and for the sake of joining in the fun. That is, they were quite blind in their actions. Once they become clear about the truth of the matter, their thinking can be easily straightened out. Their ideological and political education should consist mainly of positive advice and guidance. What is necessary is to tell them the facts, reason things out, and strengthen their education in the theoretical aspect.

Juniors and seniors have experienced several student unrests since they entered university. They are rather deeply affected by the thought of bourgeois liberalization. Since the struggle against bourgeois liberalization was carried out only perfunctorily in the recent past, many students were not educated by this struggle. On the contrary, they developed a feeling against the struggle. The influence of this on their lives and world outlooks should not be underrated. In the recent student movement, almost all backbone elements who first came out to organize the illegal Self-Government Union of Students in our university were juniors and seniors. Some of them had already been very active in the 1986 student unrest. Some students who were near graduation did not get themselves as deeply involved in the student movement and turmoil because of their political experience and the consideration of their job assignments after graduation, but their political tendency was obvious. Regarding these students, we should first let them know the facts and then expound thoroughly on counterrevolutionary nature of the matter. We should also lead them to review how they were influenced by the thought of liberalization in previous student unrest, so that they will suddenly awaken and clearly see the danger of bourgeois liberalization from the viewpoint of our country's fate and from the perspective of their own future.

Graduate students represent a stratum attracting people's attention, and respected by undergraduates. In the past few years, those admitted to and studying in graduate schools have mostly been people holding concurrent jobs in various fields. As a result, there is a wide range of ages in this stratum—from 20 or so to over 40. Among these students are people with various political and life experiences. Relatively good educational backgrounds and rich social and political experiences have enabled most graduate schools to have fairly stable lives and world outlooks. During the past 10 years, due to omissions in education, they were more systematically and theoretically affected by the thought of bourgeois liberalization than undergraduate students. Of the big- and small-character posters appearing at our university at the beginning of the student movement, those which were demagogic, instigating, and theoretical in nature were

written by graduate students. Some graduate students unequivocally said: "People like us are no longer acting on impulse as young people. Our action is based on our political views; that is, China's intellectuals must stand at the forefront of democratic struggle and not be afraid if they have to give their lives and shed their blood for the sake of democracy and freedom." "My choice is based on my own belief, and nobody can dissuade me." These fully indicate that the political conduct of some graduate students can in no way be explained simply by "patriotic enthusiasm" and "one-time impulse." In the political education to enable them to discern the true nature of the turmoil and counterrevolutionary rebellion and to uphold the four cardinal principles, we can never expect that they will change their stand and viewpoint simply through our efforts to make clear the truth of the matter and untie the knots in their minds. We must make them clearly aware that they are rather deeply affected by the thoughts of various bourgeois schools and let them see that the mistakes they made in the turmoil and rebellion were inevitable results of their erroneous stands and attitudes, and that they should conduct painstaking self-examination and change their stands, attitudes, ideas, and sentiments.

In addition, we must not treat all students in the same way when we carry out ideological and political education among them. We must conduct analysis, and carry out such work according to their own different characteristics and what they did during the recent turmoil. Only by so doing will it be possible to attain actual results in carrying out ideological and political education.

In achieving this among college and university students, we must take into full account the harmful effects of the 50-odd days of turmoil and counterrevolutionary riots on the minds of the college students. Following the development and escalation of the turmoil, and under the influence of false information spread by the media, some puzzled students looking on uncommittedly deviated even further away from the correct political stand and attitude, let alone those students who participated in the parades, the hunger strike, the pickets, and who blocked the military convoys. Due to the plots by the behind-the-scene conspirators of the recent turmoil and counterrevolutionary riot, the various tricks they played in continually escalating the turmoil, and the counterrevolutionary public opinion and rumors, some people turned their dissatisfaction and feeling of bitterness into an antiparty and antigovernment sentiment. This kind of change tells us that we must not ignore the harmful effects of bourgeois ideas on the students. In this connection, we must be mentally prepared to carry out ideological and political education on a long-term basis.

Our task in carrying out ideological and political education remains arduous. Compared with the period prior to the turmoil, students who are targets of our education have undergone tremendous changes. Some of the students have still not matured, even after going through

political struggle. It will be hard to help them thoroughly change their stands and viewpoints overnight. Facts have reminded us that ideological and political education among college and university students should be different from general ideological education. We are trying to win the students away from the bourgeoisie, so that such students will become our successors. This kind of education must have the nature of a political struggle. On issues of principle, we should never retreat or yield to others to win over those students who have gone down the erroneous road, but their mistakes are still considered as contradictions among the people. Only by doing so will it be possible for us to achieve good results in carrying out ideological and political education.

Official Addresses Ideological Education
OW0308113789 Beijing GUANGMING RIBAO
in Chinese 24 Jul 89 p 2

[Speech delivered by Tang Shaoming (0781 4801 2494), director of the Education Bureau of the Propaganda Department of the CPC Central Committee: "Enthusiastically Helping Students Clarify Some Issues of Ideological Understanding," under the general title of "Thoroughly Criticizing Bourgeois Liberalization and Conscientiously Strengthening the Ideological and Political Work Among Institutions of Higher Learning—Speeches Delivered at a Discussion Meeting Sponsored by the Editorial Department of GUANGMING RIBAO and the Education Bureau of the Propaganda Department of the CPC Central Committee for Education Circles in the Capital"]

[Text] The recent turmoil and counterrevolutionary rebellion, stirred up by an extremely small number of schemers and conspirators using the student movement, was quelled. However, the public lesson it gave on ideology was very profound. Many students had a vague understanding of the fundamental issues which have a direct bearing on the destiny of the state, as well as on the future of the Chinese nation—such as, what road should China take after all, who should assume leadership for the four modernizations, and so on—and, more often than not, they acted impetuously and blindly. Comrade Xiaoping astutely pointed out: The purposes of the turmoil were to cause the downfall of the leadership of the CPC, subvert the socialist PRC, and found a bourgeois republic dependent on the West. Nevertheless, some students were not clear on these points. It was indeed most distressing and regrettable! This was because the preceding two general secretaries virtually abandoned the four cardinal principles and connived at bourgeois liberalization, let it spread unchecked, supported it, caused ideological confusion among a great number of young students, and made them become victims of the ideological trend of bourgeois liberalization.

An urgent task facing us today is the need to strengthen ideological and political education among young students, so that we may help them clarify issues of ideological understanding and, while doing so, purposefully center on upholding the party's leadership and socialist system.

For a considerable time, great emphasis was placed on reform and opening to the outside world in our propaganda and education, while little attention was paid to adherence to the four cardinal principles. The situation became such that whoever talked about adhering to the four cardinal principles would be criticized as using "conventions" to restrict reform and of being "ossified" and "conservative. Then, after all, does the problem of orientation exist for reform and opening to the outside world? In addition, little attention was paid to the superiority of socialism, either. Is there anything in our society which may be called the superiority of socialism? How can we promote the progress of reform and opening to the outside world under the precondition of giving play to the superiority of socialism?

Some young people thought that the capitalism of free competition could be developed in China like it is in Europe and the United States. This is not at all workable. Then, why do the current international conditions predetermine that the development of capitalism in China can only make it become dependent on international monopoly capital? Why do current domestic conditions predetermine that the development of capitalism in China can only give rise to bureaucratic comprador capitalism and lead to complete chaos throughout the country in the long run?

Concerning the issue of why we must persist in the leadership of the CPC in our efforts to carry out the four modernizations, some young people said that they did not negate the revolution in China under the leadership of the Communist Party in the past; however, they said, they doubted whether the Communist Party would be able to succeed in economic construction and whether the Communist Party itself has the capability to overcome corruption. Then, how can we explain that the Communist Party, as a vanguard organization of the working class, has the complete capability to overcome its own weaknesses and, thus, maintain its exemplary merits?

Under the influence of the ideological trend of liberalization, some youths thought that democracy and freedom meant one could do whatever pleased them; they did not understand the prerequisite to the freedom of an individual is that other people's freedom must not be infringed upon. Then, why must the democratic rights be exercised within the scope of the procedures provided by the law? Why can the development of democracy be brought about only by means of the legal system?

Why is it that the patriotism we talk about today can only be the one adhering to the orientation of socialism and ardently loving the socialist motherland? Why will those who oppose the four cardinal principles and advocate bourgeois liberalization throw themselves into the arms of reactionary forces of the West and move toward national betrayal in the end?

How shall we obtain a better understanding of the strategy of "peaceful development" adopted by the reactionary forces of the West against socialist countries? How shall we explain the kind of people they want to train, groom, and depend on, and the kind of objectives they want to attain from their encouragement to "democratic individualists" and, furthermore, advocacy for so-called "politics in charge of the elite?"

How shall we understand and evaluate the social and cultural ideological trends abroad? How shall we identify and resist the political viewpoints of democracy, freedom, and so forth cherished by the bourgeoisie of the West, as well as the influence exerted by the decadent bourgeois ideology? How shall we analyze the essential qualities of "total Westernization" and the West's outlook on values in the light of China's realities, and point out their danger and harm at the same time?

Should we pay attention to stands, viewpoints, and methods when we observe and deal with problems? Are the viewpoints established by ideological and political education back in the 1950's on labor, the masses, class, dialectical materialism, and historical materialism outmoded in the present era of reform and opening to the outside world? How shall we properly combine all the good qualities of science, knowledge, revolution, and practicality, without neglecting any of them when we conduct ideological and political education?

It is not an easy job to truly answer these questions and help young students clarify their ideological confusion, which has beleaguered them over the years. The job will need the concerted efforts of the departments of education, theory, art and literature, the press, and publications to employ the Marxist stand, viewpoint, and method to jointly conduct study, research, probes, discussion, propaganda, and education.

It is incumbent on us to notice that putting an end to the turmoil and the quelling of the counterrevolutionary rebellion have provided an extremely favorable condition for us. First, the central authorities of the party held the 4th Plenary Session of the 13th CPC Central Committee in good time. It adjusted the leading body of the central authorities of the party and fundamentally solved the problem of mistakes in the guidance of ideological and political work, so that many things which were difficult to say or do in the past can be freely said and done now. Under the leadership of the Central Committee of the party, we can be bold and feel assured in upholding the four cardinal principles, taking a clear-cut

stand in opposing bourgeois liberalization, and giving full play to our role of working successfully to build socialist spiritual civilization.

Next, the broad masses of young students tempered themselves after undergoing the most practical and rigorous political test during the turmoil, which lasted for over 50 days. They matured; as some students put it: "We have grown up overnight." The party's leadership, socialist road, patriotism, democratic legal system, world outlook, outlook on life, and so forth have suddenly become real instead of being abstract concepts sounding meaningless, as in the past. It will be helpful for everyone to ponder deeply and make a clear distinction between right and wrong. Its effect is far beyond what can be achieved by general propaganda and education in peacetime. We are convinced that the overwhelming majority of students will be able to cohere their centripetal force toward the party and socialism through study and enhanced awareness once again.

As far as the broad masses of political work cadres are concerned, the turmoil and rebellion exposed many problems in our ideological and political work. Likewise, it can prompt us to ruminate, keep improving our work, inherit the fine traditions thrown away in the past, and promote new experience. We should overcome our fear of difficulties and passive attitude, and arouse ourselves with spirit to seize the opportunity to provide to-the-point answers to the questions about ideological theories raised by students, and do a good job in conducting painstaking ideological work. Only then can we successfully accomplish the glorious mission assigned to us by the central authorities to strengthen the ideological and political work and unite together the overwhelming majority of students.

Article Favors Strengthening Legal System

HK0308083689 Beijing RENMIN RIBAO in Chinese
31 Jul 89 p 6

[Article by Sun Guohua (1327 0948 5478): "To Develop Democracy, It Is Necessary To Strengthen the Legal System"]

[Text] The recent turmoil and counterrevolutionary rebellion, which was elaborately plotted and instigated by a handful of people, has once again borne out the truth: Socialist democracy cannot be separated from the socialist legal system. In our country, in order to develop democracy, it is all the more necessary to strengthen the legal system. This is because in order to promote democratic development and oppose such unlawful and criminal practices as embezzlement, corruption, and "official profiteering," it is all the more necessary for us to practically strengthen and perfect the socialist legal system; criminal elements will be denied chances to carry out such illegal activities as embezzlement, corruption, and "official profiteering."

Fang Lizhi and the like, with ulterior motives, and by making use of the young students' good wishes for developing democracy in China, personally directed, from the outset, the recent student unrest in our country to the evil direction of destroying the socialist legal system. In our country, to destroy the socialist legal system means destroying socialist democracy. All the measures employed by some people during the recent student unrest were aimed at destroying the socialist legal system and are thus fundamentally contradictory to the fine wishes of the broad masses of the young students. This is why a tragedy took place and why quite a few young students were hoodwinked and cheated during the recent student unrest. Those young students had failed to see through the ulterior motives of a handful of bad people who were trying to overthrow the CPC leadership and the socialist system. Instead, they had been instigated and manipulated by a handful of bad people. As a result, from the outset, those young students took some measures contradictory to their original wishes. Although they subjectively wanted to put an end to such unlawful practices as embezzlement, corruption, and "official profiteering," they objectively caused social disorder and destroyed our country's legal system. Consequently, some unlawful elements took advantage of the situation to fish in troubled waters. Although they subjectively wanted to push ahead with democratic development, those young students objectively destroyed our people's democracy, harmed our people's lives and property, and committed some serious crimes. Although they subjectively love their country and their people, they objectively did a lot of harm to their own country and people because they carried out actions harmful to our country's legal system. In consequence, our People's Republic, for which over 20 million revolutionary martyrs had shed their blood and laid down their lives, was at stake. This is a profound lesson we have learned!

The recent student unrest also tells us that we should not judge people's behavior by their motives and wishes. Instead, we should judge by the measures they employ to realize their wishes and by the actual outcome. To have only patriotic wishes is far from enough. Only by finding correct ways to realize patriotic wishes can one really achieve the desired results. Therefore, in today's China, in order to develop democracy, we must unswervingly strengthen the socialist democracy under the leadership of the CPC and the people's government.

By laying undue emphasis on some defects of our country's socialist democratic system and some mistakes in our work, on the one hand, a handful of people with ulterior motives tried to deny the fact that people's democracy already exists in our country, deny the fundamental difference between socialist democracy and bourgeois democracy, and advocated the ideology of bourgeois liberalization. On the other hand, a handful of people with ulterior motives tried to stir up anarchical sentiments, defy and ignore our country's solemn Constitution and laws, and call on people to carry out beating, smashing, looting, burning activities, and to do

whatever they like. As a result, the recent student unrest finally developed into a counterrevolutionary rebellion. During the recent turmoil, a handful of people with ulterior motives advocated not only the ideology of bourgeois liberalization, but anarchism, which is the most destructive and stirring ideology. Anarchism was the most vicious ideological weapon used by a small number of people to instigate, control, and manipulate the young students during the recent turmoil.

Anarchism is the most formidable enemy of the legal system and legal order. A handful of people with ulterior motives made use of the naiveness displayed by the young students, crowned the young students with such laurels as "elite" and "heroes," and finally pushed them into the abyss of crimes. Nonetheless, anarchism is not democracy at any rate. Anarchism rejects democracy in all senses.

Democracy can only be realized when a certain law and a certain legal order is abided by and safeguarded. Anarchism rejects all laws, disciplines, morality, justice, and intuitive knowledge, and is self-centered, willful, and immune to restrictions.

Democracy is a state power which recognizes the principle that the minority is subordinate to the majority. Anarchists deny any state power (in the case of today's China, anarchists deny the people's state power). Fang Lizhi and his kind even raised a terrific hue and cry for disbanding China. They even refused to recognize the principle that the minority is subordinate to the majority. The leaders of the Beijing College Students Autonomous Federation even put forward such a principle that "99.9 percent should be subordinate to 0.1 percent," and tried to use such a principle to control the young students who had been cheated by them and took hostage those young students to put pressure on our party and our government.

Democracy means not only the rights and freedom of individuals, but the guarantee of rights and freedoms of all citizens as well. Anarchists care about their own rights and freedoms, but not the rights and freedoms of others. During the recent turmoil and counterrevolutionary rebellion in our country, a handful of anarchists abused their rights and freedom to an extent unprecedented in history.

Democracy means not only the guarantee of certain rights and freedoms, but also the assumption of certain duties and responsibilities. Anarchists call on people not to assume any duties and responsibilities. Anarchists always act on impulse in disregard of political, moral, and legal responsibilities. During the recent turmoil and counterrevolutionary rebellion in our country, in order to fulfill their goals, anarchists unscrupulously made up and spread rumors and even issued statements by usurping others' names. From this, we can see that anarchists only care about themselves and no one else.

At a time when the ideology of bourgeois liberalization and anarchism ran rampant in our society, a handful of people with ulterior motives gathered together all the antiparty and antisocialist antagonistic forces in our society and all the dregs of our society, and launched a fierce attack on our party, our people, and our People's Army, and committed inhuman crimes.

Facts have borne out that in order to develop democracy in China, we must make unswerving efforts to safeguard our national unity and stability, build the socialist democracy, and strengthen the socialist legal system under the CPC leadership and in accordance with the line and principles formulated by our party since the 3d Plenary Session of the 11th CPC Central Committee. To this end, we must make resolute efforts to put an end to the practice of "putting destruction first" and the practice of "extensive democracy." The lesson of the decade-long Cultural Revolution tells us that "extensive democracy" is no democracy at all and is aimed at harming and destroying socialist democracy. Those who are practicing bourgeois liberalization and anarchism are not building socialist democracy, but are trampling on socialist democracy and destroying our socialist construction cause. Therefore, in order to develop democracy in China, it is all the more necessary to strengthen the legal system. In order to develop socialist democracy in China, it is all the more necessary to strengthen the socialist legal system. This is our conclusion.

LIAOWANG Cited on 'Hard Struggle'

OW3107232989 Beijing XINHUA Domestic Service
in Chinese 1206 GMT 24 Jul 89

["Local Broadcast News Service"]

[Text] Beijing, 24 Jul (XINHUA)—The issue of the "LIAOWANG" weekly published today carries a commentator's article entitled: "Energetically Encourage the Practice of Hard Struggle." The following are excerpts:

When addressing cadres of martial law enforcement units in Beijing above the army level, Comrade Deng Xiaoping again exhorted all party members to pay close attention to the education about hard struggle and plain living and to promote the spirit of establishing an enterprise through hard efforts. His instructions hit the nail right on the head and take on both considerable immediate significance and profound historical significance.

Reform has led China from developing a product economy to vigorously pursuing a socialist commodity economy. Various economic forms, with public ownership remaining predominant, have been developing. There are also diverse forms of distribution. With more independent authority and a stronger wish to seek profits, enterprises are competing with one another. This has not only strengthened China's economic vitality, but has also caused degeneration in party and government organs. Seeking pleasure and living in degeneration, a number of

people commit crimes by abusing their power to seek personal gains, by graft, or by accepting bribes. Their degeneration results from their abandonment of the practice of hard struggle. Opening to the outside world has changed China's status as a closed country, enabling it to import foreign advanced science and technology and useful management techniques. Increased economic cooperation and cultural exchanges with various countries and ever closer relations with the international market have contributed to construction in China. However, it is inevitable that the decadent bourgeois ideology and life-style have been introduced into China. Some cadres with weak wills have pursued a bourgeois life-style and ended up being a captive of bourgeois ideology. Their degeneration also results from their abandonment of the practice of hard struggle.

The lives of the vast majority of Chinese people have improved with the development of production since the 3d Plenary Session of the 11th CPC Central Committee. Under the circumstances, some people think there is no need to carry on hard struggle anymore. Some even call for "increasing production by consumption" in an attempt to pursue high and excessive consumption incompatible with the current level of production and labor productivity. This idea and action simply do not correspond with our national conditions and are wrong. China, as a populous country with a poor foundation, remains poor even today. Scores of years of hard work are required before it can rank among the average developed countries. Therefore, we can not do without the spirit of hard struggle.

The ideology of bourgeois liberalization has run rampant for a certain period in the past because we have relaxed our efforts to conduct ideological and political education. As a result, the four cardinal principles and the spirit of hard struggle are played down, while the trend of eating, drinking, seeking pleasure, indulgence in extravagance and waste, and corruption and degeneration prevails. Despising the virtues of diligence and frugality of the Chinese nation and paying attention to ostentation and extravagance, people regard it as necessary to hold weddings and funerals, as well as welcoming and farewell parties, in a big way. This unhealthy trend has become a public hazard. If we let it develop without check, our people will lose their fine moral traditions and there will be no hope of carrying out the great cause of the four modernizations. Therefore, it is necessary to vigorously call for revitalizing the spirit of hard struggle within the party and the government, among the people, and in the nation. The party and the people as a whole must make strenuous efforts to conduct the education about hard struggle!

Leading cadres at various levels and party members must first set a good example in the drive to energetically encourage the practice of hard struggle. Because ours is a party in power, party members must always bear in mind the party's purpose of serving the people wholeheartedly

and must stick to the spirit and style of hard struggle. Leading cadres at various levels are required all the more to start with themselves to set a good example for others.

Economic & Agricultural

Capital Shortage Restricts Economic Development
*OW0608113389 Beijing XINHUA Domestic Service
in Chinese 1205 GMT 4 Aug 89*

["Work Study: 'The Practice of Private Borrowing From Public Funds Is No Trivial Matter'"—by "Local Broadcast News Service" apprentice reporter Xu Wei]

[Text] Beijing, 4 Aug (XINHUA)— One of the major factors that currently is restricting economic development is the shortage of capital. This shortage has even forced some enterprises to suspend their production. A direct cause of this is that the enterprises are using a large portion of funds and the turnover rate is low. Another serious factor that should not be overlooked is the defaulting by some workers and staff members on borrowed public funds.

Recently, the Jilin branch of the Industrial and Commercial Bank of China conducted a survey of some 2.17 million workers and staff members in over 14,000 institutions and enterprises. The survey revealed that 243,000 of them are behind in repaying borrowed public funds. Total arrears amounted to 217 million yuan, a figure equal to 47.2 percent of the total loans issued by Jilin Province between January and April of this year.

An analysis of the situation revealed that the practice of borrowing from public funds is widespread among workers and staff. The defaults on repayments involve workers and staff of enterprises as well as of offices and institutions. The borrowers include both procurement agents and some leading cadres. In some units, all workers and staff have borrowed from public funds and are behind in repaying them. Although these private borrowings are being made under as many as a dozen or more pretexts, the principal ones are being advanced for official travel, loans for medical expenses, and loans for the construction or purchase of houses. In general, the maturity of such loans is quite long. A considerable number of the loans may not mature for 3 to 5 years or more, with some not maturing for as long as 10 years.

Official Predicts Deficit if Trends Continue
HK3107033489 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 31 Jul 89 pp 1, 2

[By our staff reporter Xiao Qu]

[Text] China may face a trade deficit during the second half of this year and even next year, if the present foreign trade trend continues, a senior government official said.

Although there was a trade surplus of \$2.29 billion for January-June, business statistics of the Ministry of Foreign Economic Relations and Trade (Mofert) show that China's import was up by 11.8 percent compared with the same time last year, while its export stayed at the same level.

Mofert spokesman Liu Xiangdong told a news conference on Wednesday that a deficit could arise in the latter half of the year if the trend toward rising imports and stagnant exports continues.

But he said that China has always tried to "keep expenditures within the limits of income."

In order to keep a trade balance, Liu said, China will continue to increase exports instead of passively reducing imports in the second half of this year.

The import of luxury consumer goods, such as expensive cosmetics, however, will be limited due to a shortage of hard currency. But, he added, some of these expensive items will still be imported to meet the demands of people's rising standard of living.

The ministry's merchandise trade figures for the first six months of the year showed that China's foreign trade totalled \$37.22 billion, 3.8 percent more than during the same time last year. The export total was valued at \$19.76 billion, of which the June figure was \$4.1 billion, a record for a single month.

These figures are contrary to customs statistics which showed a \$5.79 billion trade deficit for January-June, up \$1.22 billion from the first half of last year.

Liu said that the customs-based figures cannot give an accurate picture of actual imports and exports. Unlike the Mofert statistics, customs statistics include non-trade financial transfers such as foreign grant aid as well as imports of raw materials for processing.

Figures Liu released showed that China's trade with the Soviet Union in the first five months of this year rose 31.3 percent over the same 1988 period to \$1.32 billion.

"This was a result of the normalization of relations between the two countries and improved trading conditions," Liu said, adding, "but that does not mean we are switching to the Soviet Union and Eastern European countries."

The biggest trade increase in the first five months was with France, up by 72.7 percent. Following France and the USSR is the United States, whose trade with China reached \$3.71 billion, 28.2 percent more than last year's January-may period.

During the first six months of this year, China's import from the major trading partners all increased substantially over the 1988 period. Imports from Japan

increased by 9.2 percent, from the United States by 46.9 percent, from the EEC countries by 27 percent, from the Soviet Union by 74.3 percent, and from the Asean countries by 6.5 percent, Liu said.

Manufactured goods, such as silk, machinery equipment and electronic products, increased their share in total exports. The export of rice, soy bean, cotton, cotton yarn, natural silk and crude oil saw a decline.

Liu said that in the first six months of this year, China approved 3,090 projects involving the use of foreign capital, which is a rise of 44.7 percent over the same period last year. Total contracted foreign investment was \$6.44 billion, up by 19.9 percent, and the executed amount was \$4.5 billion, up by 14.7 percent.

There were 3,031 newly approved enterprises with foreign investment in the first six months, an increase of 44 percent over the corresponding period last year. Total contracted foreign investment was \$3.02 billion, a rise of 52 percent and the paid-up foreign investment was \$1.17 billion, up by 46 percent.

Of these projects, 2,175 were funded by Hong Kong investors, with a total contract investment of \$1.6 billion, followed by Japan, with 154 projects and \$231.7 million invested, and the United States, 131 projects with more than \$380 million in funding.

Opening Up, Coastal Policies To Continue

OW3107122289 Beijing XINHUA in English
0945 GMT 31 Jul 89

[Text] Beijing, July 31 (XINHUA)—China will continue its pattern of opening to the outside world—from special economic zones to coastal open cities and coastal open economic regions and then to the hinterlands, according to a leading official of the Special Economic Zones Office under the State Council.

Experience over the past decade has revealed that the policy of giving priority to the economic development of coastal regions in east China and then promoting economic growth in the hinterlands conforms to China's actual conditions, "ECONOMIC DAILY" quoted the official as saying.

China's import and export trade volume in 1988 was double that of 1979, the year China adopted an open policy. So far the country has established business contacts with 180 countries and regions, the paper reported.

During the 1979-89 period China borrowed a total of 30 billion U.S. dollars to build infrastructure projects and import up-to-date equipment and technology.

Meanwhile, foreign entrepreneurs invested 12 billion U.S. dollars in joint ventures or exclusively foreign-funded enterprises.

The official urged coastal cities to engage in export-oriented production, increase exports, assimilate foreign technology, improve the investment environment and accelerate interregional economic cooperation with their counterparts in the hinterlands.

The official noted, however, that the aim of attracting foreign funds and using foreign management systems and technology is for them to serve China's modernization drive.

Thus the coastal regions should adhere to the four cardinal principles—the leadership of the Chinese Communist Party, the people's democratic dictatorship, the socialist road and Marxism, Leninism and Mao Zedong Thought—while persisting in the reform and opening process, the official stressed.

Machinery Exports To Experience Rapid Rise

HK0708023489 Beijing CHINA DAILY in English
7 Aug 89 p 2

[By our staff reporter]

[Text] Exports of machinery and electrical products are expected to rise faster than other goods, an official with the State Council's Office of Mechanical and Electrical Product Exports.

The official predicted that these products would account for 30 per cent of China's export earnings by the turn of the century as the country develops new markets in the Soviet Union, Eastern Europe and Australia while continuing to expand sales in North America and Europe.

The official said that China would focus on 21 major products for export expansion. These would include machine tools, automobiles and automotive parts, computers, ships, aircraft, bicycles, clocks and wrist watches and electrical appliances.

China exported more than \$3.3 billion worth of electrical and mechanical products in the first six months of this year, accounting for 15 per cent of the country's total exports during this period.

Article Advocates Currency Stabilization

HK0108081989 Beijing JINGJI RIBAO in Chinese
21 Jul 89 p 3

[Article by Wei Jie (7614 2638): "Implement a Policy Aimed at Stabilizing Currency"]

[Text] The macroscopic economic life in our country in recent years has fully shown that in a developing a country like China, which is in a state of structural reform, it is impossible to promote an economic takeoff through inflation. It is only under the condition of maintaining the stability of our currency that can we ensure economic development of high efficiency and results.

A Monetary Policy Aimed at Stabilizing Currency and Economic Development

What kind of monetary policy should a country pursue? This will greatly affect the stability of its currency. To develop an economy under the condition of stable currency, we must pursue a monetary policy aimed at stabilizing currency. Stressing the stability of the currency is the main objective of the monetary policy aimed at stabilizing currency. Theoretical analysis and practical experiences have fully demonstrated that a monetary policy aimed at stabilizing currency is the key to ensuring a sustained and stable economic growth.

1. A monetary policy aimed at stabilizing currency can play its role in stabilizing and maintaining economic order. It is a prerequisite for giving play to the principle of economic efficiency. Without a stable purchasing power reflected in currency, the law of value and the competition mechanism will lose its foundation. This will cause a distortion of economic relations and chaotic economic order. Experience has proved that very often, inflation is the most important factor which undermines the principle of equal exchange of commodities and an effective price system. Therefore, it is only under the condition of stable currency that the market mechanism can play its regulating role. This is precisely what is meant when some Western economists call the monetary policy aimed at stabilizing currency a "policy of economic order."

2. The monetary policy aimed at stabilizing currency can perform its functions of maintaining social equity and arousing the enthusiasm of laborers in production. It is an important factor for preventing social disturbances, and for setting people's minds at rest. Under the conditions of inflation, it is impossible to rationally link the incomes of laborers with their expense for purchasing goods. It is impossible to reflect the actual value of currency owned by residents, and their economic interests are harmed because of this. As a result, the enthusiasm of the masses in production will be dampened. The masses will further distrust the government. This will eventually cause the decline of economic results and increase of the chances of social disturbances. Some economists of the West regard a stable currency as a human right. They believe that only when human rights in this regard are ensured can society develop in a stable way. This view contains some truth.

3. Only through stabilizing currency can we create conditions for attaining the objectives of other macroscopic economic policies. Without a stable currency, it is impossible for macroscopic economic policies such as an industrial policy, financial policy, policy governing the distribution of incomes, and so on to attain the results hoped for. Judging from the experiences of many countries in the world, we know that stable and sustained economic development can be realized only under conditions in which we have stable currency characterized

by a slightly tight monetary supply. We should particularly realize that renminbi in our country is not a kind of currency based on reserves. It is a kind of pure paper money. This demands that we stabilize our currency, truly bring inflation under control, and use this tool to properly stabilize currency. Inflation must on no account be encouraged. Otherwise, the chaos of the entire macroscopic economy and the inefficiency of our macroscopic economic policies will occur. The practice in our country over the past few years has fully proved this.

4. Contrary to what some theoreticians expect, the policy of inflation cannot bring about a high employment rate and high economic growth. The data on post-war economic development of developed capitalist countries has shown that generally speaking, a country with high inflation is, at the same time, a country with high unemployment and unstable economic growth. A country with a stable currency is, very often, a country with higher employment and stable economic growth. Ours is a country of insufficient resources, and the speed of our economic development is liable to be too fast. In such a country, instead of bringing about a high employment rate and stable economic growth, inflation can only distort economic relations and cause a feeling of insecurity. It is impossible to ensure stable economic development under an unstable social environment. Therefore, stabilizing the currency is the most fundamental prerequisite for stable economic development in our country.

5. The monetary policy for stabilizing currency is, very often, the best export subsidy. It has enabled us to take the initiative in foreign economic relations and trade, and maintain a good momentum in foreign trade and exports. The experience of Federal Germany has fully proved this. Since the 1970's, exchange rates of the mark against currencies of the majority of Western countries have increased by a big margin. However, due to the fact that the inflation rate in West Germany is lower than other countries, the negative influence over export due to high exchange rates of the mark can be offset. Sometimes, there is a surplus in the foreign trade of the country. This has promoted a greater development of exports. China can learn a lot from the method of West Germany for promoting a great development in foreign trade through stabilizing domestic currency. Ours is a developing country which is marching toward the world market. Our exports and foreign trade have been further expanded with the development of the policy of opening up to the outside world. To ensure a stable development in our foreign trade and exports, it is necessary for us to stabilize our domestic currency. Our inflation rate must on no account be higher than the actual exchange rate of our renminbi. Only thus can we truly embark on making China powerful through opening up to the outside world.

The Monetary Policy Aimed at Stabilizing Currency and the Economic Policy of the Government

Implementing a monetary policy aimed at stabilizing currency is the most important objective of the central bank. However, very often the implementation of such a

policy cannot be coordinated with the economic policy of the government. Sometimes, they will seriously conflict with each other. As a result, the implementation of the monetary policy aimed at stabilizing the currency is adversely affected. Therefore, eradicating the interference of the government's economic policy and objectives in the monetary policy aimed at stabilizing currency is the key to ensuring the effective implementation of the monetary policy.

Although stabilizing currency is generally regarded as the most important objective of the monetary policy, it is not the only objective. Law has stipulated that our monetary policy must support the government's economic policy. Therefore, supporting the government's economic policy is also the objective of monetary policy. However, the government's economic policy very often runs counter to the demand of the monetary policy aimed at stabilizing currency. This has caused a conflict between the policy aimed at stabilizing currency and the government's economic policy. While working out its economic policy, the government, as an organ of state power which represents economic interests of the people, very often thinks more about economic growth and full employment, and tries to increase the income of the people to the greatest extent during its term of service. Therefore, it demands relaxation of the money supply, or implements an economic policy which is harmful to stabilizing currency. It even goes so far as to support an economic policy of high growth, high income, and a high employment rate through inflation. The economic policy of the government will sometimes batter at the monetary policy aimed at stabilizing currency, and will cause inflation under certain conditions. The experience of our country in recent years has fully explained this. The economic work in our country over the past few years has been guided by an idea of blindly seeking high speed. We improperly advocated high income and high consumption. Such guidance thinking was reflected in many of our economic policies. We demanded the support of the central bank for such economic policy in terms of currency. As a result, the implementation of the monetary policy aimed at stabilizing currency was affected. This induced and aggravated inflation. We must bear this lesson in mind.

To ensure that the monetary policy aimed at stabilizing currency is not affected by the government's economic policy, the independence of the monetary policy and the functions of the central bank must be stipulated by law. It should be stressed that the support of the central bank for the government's economic policy must be based on the fulfillment of the functions of the bank, namely, stabilizing currency. The coordination and cooperation between the monetary policy and the government's economic policy must also be based on stabilizing currency. When contradictions occur between them, stabilizing currency must be first taken into consideration. The experience of Federal Germany in this regard merits our attention. When the Federal Bank of Federal Germany is supporting the government's economic policy, it firmly

takes the maintenance of currency stability as a necessary prerequisite for supporting the government's economic policy, and for determining the extent of the support. For example, in 1986 the Federal Bank had the capability, through adopting certain stimulative measures, to speed up economic growth and increase employment opportunities. However, considering the existence of inflation at home, the bank maintained that there was no reason for implementing a policy for further relaxing the money supply. Therefore, it adopted some restrictive measures. This enabled it to avoid hampering economic development and helped maintain sustained and stable economic development. It is obvious that stabilizing currency is actually the greatest support for the government's economic policy.

To effectively implement the monetary policy aimed at stabilizing currency in light of the current practical condition in China, the stabilization of currency must be taken as our main guidance. The independence of the central bank must be ensured through legislation and a specific system so that it can independently make use of the tool of currency policy to attain the objective of stabilizing currency, and fully handle its routine business. In so doing, no individual or government organ can interfere in its business activities. In the near future, we must completely separate financial revenue from the monetary issue in terms of law. Financial relations between financial departments and the central bank must also be defined through legislation. Those management systems which adversely affect the functions of the central bank must be changed as early as possible. Only when the central bank is truly independent will it be able to extricate itself from outside pressure and various local interests. Only then will it be able to readjust money supply in accordance with the policy and objective of stabilizing currency, and become a highly effective stabilizer, preventing a sudden rise and plummet of our economy. This will ensure our sustained and stable economic growth.

Government Launches Tax Evasion Crackdown

Profit Restrictions Reaffirmed [CHINA DAILY 2 Aug]
HK0208035089 Beijing CHINA DAILY in English
2 Aug 89 p 1

[By staff reporter Xiao Zhao]

[Text] The government is to launch a nationwide inspection of the flourishing private businesses in the country—beginning this month—in a bid to recover billions of yuan lost through tax evasion, CHINA DAILY has learned.

Total tax evasion among the country's 14,500,000 private businesses was estimated at more than 18 billion yuan last year, accounting for about two thirds of their taxes due to the State, an official of the State Tax Bureau disclosed.

Jin Xin, Director of the State Taxation Bureau, announced yesterday that the nationwide inspection, scheduled for August and September, is aimed at establishing a clear-cut order for private business people to fulfill their tax obligations to the State.

Inspection

The inspection will cover private businesses engaged in industry, commerce, transportation, construction, the catering trade and repairs.

The inspection will ensure that all private businesses have been registered with the tax bureau, and their operation, costs and income will be checked.

All private business people are required to operate only in fields permitted by the government, and businesses that keep no books are not entitled to business licences.

Licensed businesses will be suspended if it is found they are operating without accounts.

Jin Xin said that the emphasis of this year's inspection will be directed at major businesses adding that 40 percent of them ought to be examined.

By the end of last year, China had over 14,500,000 private businesses which employ more than 23 million people.

Jin said that unbalanced income distribution between State employees and private business people is a serious political problem which will endanger social stability if not controlled.

He attributed this imbalance of income of illegal businesses and tax evasion by private business people.

He stressed that the government was determined to confiscate all illegal income, close down all illegal businesses and impose severe punishment on those engaged in illegal operations.

He said that 52 percent of private business profits will go to the government as taxes.

A total of 30 percent is kept to expand the business.

Only 18 percent of the total profit goes to the owner of the business.

Jin said that last year the government got 9.2 billion yuan (\$2.47 billion) in tax revenue from private businesses accounting for nearly 6 percent of the country's total tax income.

Revenue

However, this only covered one third of the total amount which should be levied, leaving a tax evasion figure of over 18.4 billion yuan (\$4.94 billion).

This year the government set the tax target at 12 billion yuan (\$3.22 billion), covering 8 percent of the country's total tax revenue.

Notice Issued

OW0308211789 Beijing XINHUA Domestic Service
in Chinese 1214 GMT 1 Aug 89

["Local Broadcast News Service"]

[Text] Beijing, 1 Aug (XINHUA)—Notice of the State Administration of Taxation on rectifying order in collecting taxes from individual businesses in urban and rural areas:

Tax law is an important component of state laws. To pay tax according to the law is a bounden duty of all citizens. However, tax evasion is quite common among businesses owned by self-employed individuals. Some of them even openly refuse to pay taxes. In order to reinforce discipline in tax collection, an effort will be made nationwide to check tax payment by all individually owned businesses in urban and rural areas from August through September 1989, in line with the "State Council Decision on Rectifying Order and Strengthening Management in Tax Collection." The following notice is hereby issued:

1. All self-employed individuals engaged in industry, commerce, transport, construction and installation, food and catering, repair and maintenance, or other businesses (hereinafter called individual businesses) in urban and rural areas must conduct a self-examination of their tax payments made since the beginning of 1988 and file an accurate report to the tax authorities within 20 days after the issuance of this notice.
2. All individual businesses must abide by the state tax law, pay tax according to the law, and accept the supervision of tax authorities.
3. An individual business must report to and register at the local tax office within 30 days after obtaining a business license or beginning operation of the business. Any change in the registration must be reported to the tax office within 30 days for changing, renewing, or canceling the registration.
4. All individual businesses must set up, record, and check accounts accurately according to the regulations of tax authorities.
5. All individual businesses must purchase, use, and keep receipts according to the regulations of tax authorities, accurately writing out, furnishing, and obtaining

receipts, which should never be lost. Repeated use of a receipt, loaning a receipt to another, transfer of the possession of a receipt, alternation of a receipt, private printing and sale of receipts, resale of receipts for a profit, and forging of receipts or writing receipts for others are all strictly forbidden.

6. All individual businesses must file tax returns, financial and accounting tables, and other relevant tax materials, and report and pay taxes accurately in accordance with the regulations of tax authorities. Making false statements or evading tax is strictly forbidden.

An individual business which delivers a fixed amount of tax at a given time must report to the tax office any increase in revenues which exceeds the margin prescribed by the authorities, so as to adjust the amount of tax payment.

7. A self-employed individual who wishes to set up a business in another locality must first apply for and obtain the tax payment certificate issued by the tax office. He must then report to and register with the tax authorities of the locality where the business is to be set up, and accept the supervision of the local tax authorities.

A self-employed individual who wishes to go to another locality to market or purchase goods and articles must carry with him the tax payment certificate issued by the tax office, as well as the receipts for goods and articles purchased.

8. When a dispute occurs between an individual business and the tax authorities regarding tax payment or violation of regulations, the individual business must first pay the tax decided upon by the tax authorities, overdue tax payments, and a fine [before trying to settle the dispute].

9. All units and individuals have the right to inform the authorities, expose, and stop tax evasion and other violations of tax regulations by individual businesses. Retaliation against informants is forbidden.

To encourage the masses to inform about tax evasion, the tax authorities should set up crime report mailboxes and telephones, reward informants, and keep their names confidential.

10. Problems voluntarily discovered by individual businesses in the self-examination may be handled leniently. The business may only have to pay taxes in arrears and be exempt from paying a fine, or be given a reduced fine. Severe penalties shall be meted out to those who fail to thoroughly conduct or who refuse to conduct the self-examination and who are later found to have violated regulations. Those who have violated the regulations to a serious degree constituting a criminal offense should be prosecuted by the judicial authorities and be investigated for criminal responsibility.

The inspection and rectification of order in tax collection of privately owned enterprises should be conducted according to this notice.

[Dated] 1 August 1989

Communications Bank Expands Operations
OW0108014389 Beijing XINHUA in English
1222 GMT 31 Jul 89

[Text] Beijing, July 31 (XINHUA)—The Communications Bank of China, the first comprehensive bank in China, is active both in developing its domestic and overseas business of foreign exchange.

The bank has opened 57 branches in the country, in addition to the original one in Hong Kong, and has established agent relations with 200 overseas banks and opened account with 36 big international banks.

The bank handled last year 2,261 items of import business, totaling more than 400 million U.S. dollars and over 10,000 items of export business worth 320 million U.S. dollars.

It also participated in providing 6 international consortium loans last year and succeeded in issuing 100 million U.S. dollars of bonds in Singapore.

During the first half of this year, the bank provided 21.1 percent of the total circulating fund to support production and purchase of exported goods and 31.6 percent of the total to support production and purchase of marketable goods, famous, special and quality goods and 13.9 percent of the loans to support production of energy and raw materials in short supply.

Satellite Network To Connect Banks
OW0308105289 Beijing XINHUA in English
0549 GMT 3 Aug 89

[Text] Beijing, August 3 (XINHUA)—A satellite telecommunication network now being built by China's central bank will speed up the bank's financial reforms.

Shahe, near Beijing, the main station in the network, will then have satellite contact with 323 cities in China by next year, "CHINA DAILY" today quoted a report from the People's Bank of China (PBC).

About two-thirds of the cities in the network are about to install their transmitters. They are expected to be on line by the end of this year, the paper reported.

When finished, the network will allow the bank's central headquarters to control the whole banking system by being in touch with all day-to-day transactions.

Because PBC lacks such a network, the bank finds it hard to monitor and control the national macroeconomy and financial system, said Chen Yuan, deputy head of the PBC.

The out-dated way of clearing accounts has caused a mess in China's financial system.

Thus the circulation of funds becomes very slow, the paper said. It is estimated that there are 40 to 50 billion yuan in the clearing account process, which means that money is not earning profit, according to the report.

The state has given the bank the key satellite transmission equipment being installed in Shahe.

The project will improve the bank's functions after being put into operation, the paper said.

Banker Details Waste in Construction Projects
OW0308101689 Beijing XINHUA Domestic Service
in Chinese 1210 GMT 1 Aug 89

["Local Broadcast News Service"]

[Text] Beijing, 1 Aug (XINHUA)—Li Xikui, vice president of the People's Construction Bank of China, said recently that the waste caused by major state construction projects is enormous. He called for strict measures for conserving resources so that capital can be concentrated to ensure the needs of key state construction projects.

During the national meeting held on 30 July to discuss the management of central investment, Li Xikui told reporters that key state construction projects now face a very serious problem: While some projects are affected by a shortage of funds, other projects are squandering money lavishly, causing serious waste. The biggest wastes, he said, are caused by misjudgement in deciding on the construction of supporting projects. Some projects, which have cost the state hundreds of millions of yuan to build, cannot operate normally due to an inadequate supply of raw materials and energy as well as transport facilities. Then, there is the waste caused by unscientific, irrational designs. The waste incurred from this often exceed millions of yuan, or even tens of millions of yuan. Careless spending on the part of constructors is another cause of waste. Wastefulness in this regard finds expression in the construction of large, high-grade offices, auditoriums, guesthouses, welfare facilities, and other nonproductive projects with imported facilities, and in unscrupulous purchases of construction materials and equipment, resulting in the stockpiling of large quantities of unneeded materials and equipment. Some expensive equipment imported unscrupulously cannot be used, Li said. Self-interest on the part of local authorities and some small groups is the fourth cause of waste, according to Li. These local authorities and groups have tried every means possible

to charge the state higher prices on the construction of key projects, and then spend the money on the building of ordinary processing plants or nonproductive projects in the local areas.

JINGJI RIBAO on Guarantee of Projects
HK3007060289 Beijing JINGJI RIBAO in Chinese
19 Jul 89 p 1

["Weekly Economic Observation" column by Yan Kalin (7051 0595 2651): "What Should Be Guaranteed Must Be Guaranteed"]

[Text] A report of the state statistics department last week said that the building of China's key construction projects, such as energy resources and raw materials, transportation and communications, and post and telecommunications, has not been fully guaranteed. From a long-term perspective, this is because of insufficient investments in capital industry. The proportion of energy resources in China's industrial production dropped from 14.1 percent in 1978 to 9 percent in 1988. From a shorter-term view, investments in capital construction in the power industry in the first six months of the year dropped by 0.7 percent over the same period last year, and investments in renovation and transformation in the industry dropped by 0.5 percent. Investments in transportation and communications, and post and telecommunications dropped by 3.1 percent, and investments in renovation and transformation in these industries dropped by 2.8 percent. Failure in guaranteeing the building of key construction projects has forecast that the strained conditions in energy resources, transportation, and communications is not likely to undergo any changes for some time.

We should note that the shortage of power, raw materials, and transportation has resulted in 30 percent of the production capacities of the processing industry lying idle, and consequently, tremendous waste. On the other hand, China's industrial production has had to rely more on imports.

Neglecting the building of key construction projects will eventually affect the normal operation of the national economy. Such a lesson has been keenly felt. Therefore, the central authorities have time and again stressed implementing the principle, "three guarantees, three cutbacks" [san bao san ya 0005 0202 0005 1090] in capital construction since the beginning of 1987. The question is: Why have the key construction projects that should be guaranteed so often failed?

Primarily, it is because the investment setup has not been well readjusted. In the projects under construction nationwide today, a considerable portion remains in the general processing industry, while with investments in such key construction projects as energy resources, transportation, communications, and raw materials, the weak links in the national economy have not been given due increase.

Second, it is because of the lack of correct guidance in extrabudgetary investments. Today, the volume of extrabudgetary investments equals some 90 percent of budgetary funds. Because of the restrictions and guidance of multiple factors, the extrabudgetary investments of localities, departments and institutions have all poured into the general processing industry, especially projects characterized by "short cycle, steady and quick economic results" [duan ping kuai 4252 1627 1816], while they are unwilling to invest in such capital industry and infrastructure as energy resources, transportation, and communications, which involve rather long cycles and slow economic results. A typical example is that in the investments in the power industry in recent years, investments by the central government accounted for 80 percent, while those of the localities and enterprises accounted for only a very small proportion.

To guarantee key construction projects in a down-to-earth way and to step up the pace of the development of capital industry, it is necessary to take a firm grasp in adopting some new measures. For example, the comprehensive application of economic means and administrative means, and guiding extrabudgetary investments to targets in line with macroeconomic requirements; the readjustment of financial and taxation policies in view of the decentralization of extrabudgetary funds and irrationality of their investment orientation to urge the conversion of extrabudgetary funds to budgetary; and formulating new taxation policy for building, with low tax rates for key construction projects which China is in urgent need in development, and high tax rates for those trades under the industrial policy restrictions.

Third, the correct division of investment scopes between the central government, localities, and enterprises. Local governments should be responsible for the construction of general infrastructure projects. Enterprises and enterprise groups should be responsible for the investments in general construction for production and various investments in circulation, and they should make investment arrangements based on the changes of market demand and bear all risks.

In addition, the bank may issue bonds for transportation and power construction, so that part of the investments of the localities, departments, and enterprises in general processing industry may be collected by the state, while the central government will conduct reallocation of funds and focus on supporting such key projects in industrial construction as energy resources, transportation and communications, and raw materials to guarantee the balanced development of the national economy.

Statistics Reveal Drop in Individual Income
OW0208230789 Beijing XINHUA Domestic Service
in Chinese 1404 GMT 30 Jul 89

[By reporter Wu Shishen—"Local Broadcast News Service"]

[Text] Beijing, 30 Jul (XINHUA)—The State Statistics Bureau recently released new figures on the wages of staff members and workers. The figures come as people are

"tightening their belts" and as they are keeping a constant watch on the changes in their standard of living. The new statistics show that the average monthly wages of the nation's staff members and workers in the first half of this year amounted to 144 yuan, which was 23 yuan more than in the same period of last year. The figures, as pointed out by people in economic circles, are laden with contradictions.

Behind the 144 yuan lies another story. The total wages of staff members and workers in the first half of this year (including normal wages, bonuses, and subsidies) grew at an overheated rate last year of 22.1 percent, far outstripping the rise in labor productivity. However, the country's commodity retail prices grew at the rate of 25.5 percent in the first half of this year. As a result, urban and rural citizens in the nation had to pay an additional 80 billion yuan in price increases. A family of four shared about 30 yuan in additional expenses. Taking the factor of price increases into account, we can say that the average wage level of a considerable number of staff members and workers has not risen, but has actually gone down a bit.

Economists believe that if this kind of contradiction is left unchecked, it will not only damage the ongoing efforts to improve the economic environment and rectify the economic order, but also affect people's standard of living. To citizens, wages and prices are like a "balancing lever"; they affect each other. People will not bear the fact of wages being held down without a corresponding suppression of commodity prices. The result would lead to "using the raising (of wages) to offset the hiking (of prices)." On the other hand, if commodity prices are controlled without checking wage increases, the increasing consumption funds will surely stimulate price rises. Therefore, the key to striking a balance between wages and prices lies in exercising "double control" over them.

We must choose to exercise "double control" over wages and commodity prices. To control wages and hold down consumption funds, we must rein in the "unbridled wild horse;" that is, we must control cash and object income that is outside of normal wages. One estimate has it that these "dark wages" now account for one-third of the total wages, or about 70 billion yuan. This contributes to the uncontrollable phenomenon of "using public funds to celebrate holidays and the indiscriminate distribution of cash and articles." This also creates unequal social distribution. Second, we should ensure proper readjustment of "structural contradictions" in wages and solve the problem of unequal distribution step by step. "Several fronts" should be opened, "tough measures" must be adopted, and people's hearts must be won over to tackle the problem of price management. People in economic circles point out that as "belt tightening" will not permit a large-scale wage increase for staff members and workers, effective control of price rises and actions taken to prevent a further downturn in people's living standards will become all the more important.

Most Beijing College Graduates Assigned Jobs
OW0308021089 Beijing XINHUA in English
0649 GMT 2 Aug 89

[Text] Beijing, August 2 (XINHUA)—Most of the 32,000 graduates from 80 universities and colleges in Beijing have been accepted by their assigned units.

More than 1,000 graduates who have not found appropriate jobs are still waiting for new assignments. One reason for it is that some units such as foreign enterprises, party schools, judicial departments, travel agencies and the military have dropped plans to receive more than 300 students.

A total of 2,148 students have passed the entrance examination for graduate school this year. The number is less than that of last year.

This year, more graduates have been assigned to work in grass roots units. A number of graduates have gone to work in township and village run enterprises. Only a few have been assigned to work in departments under the central government.

Qinghua University has more than 2,100 graduates this year. More than 600 have passed the entrance examination for postgraduates. The rest participated in the assignment process. More than 5,000 units came to the university to take graduates. On average, each graduate had four units to choose from.

Beijing University has 1,500 graduates participating in the assignment process while the other 461 passed the examination for postgraduates. Graduates who majored in computer science, biochemistry, analytical chemistry, English, sociology and some other subjects are in short supply.

Han Xueping, head of the Student Department of the Beijing Higher Education Bureau said all the graduates had gone through three weeks' political study in which they reviewed their ideology and acts during the recent student unrest and counterrevolutionary rebellion.

Workers Management Council Promotes Production
OW2907060489 Beijing XINHUA in English
0529 GMT 29 Jul 89

[Text] Shenyang, July 29 (XINHUA)—A factory director in this capital city of northeast China's Liaoning Province recently set up a workers' management council in a bid to arouse the workers' enthusiasm.

The council, called the Democratic Management Council of Worker Representatives, is composed of 50 workers in the Shenyang sheet metal plant.

All important decisions ranging from production quotas, workers' welfare and factory rules and regulations, will be cleared through a democratic process. Council members have the right to put forward amendments and vote down decisions they believe violate workers' legitimate rights and interests. The system will not allow the director to make rash or arbitrary decisions, said Wang Chunwu, president of the council.

The council was established in response to a proposal by the factory's director Zhang Zhenzhong. Soon after Zhang, 36, assumed the post, he sent an open letter to all the 3,200 workers in the factory, soliciting opinions, proposals and requests.

In 2,900 letters in reply, most workers said they expected him to go down to grass roots units, have close contact with workers and take care of workers' lives.

To live up to workers' expectations, Wang kept going to the factory's workshops everyday and encouraged workers to pick out some representatives to form a management council. As a result, workers became more enthusiastic about their jobs and the factory's industrial output value increased with each passing year.

"From my experience as a worker, factory workers are not just laborers but miracle creators as well," said Zhang.

"Only when entrepreneurs regard workers as the masters of the enterprise can the enterprise be run well," said Ni Zhifu, president of the All-China Federation of Trade Unions.

The principle has been followed by many other factory directors. The factory director responsibility system, as part of China's economic reform, was introduced in enterprises across the country in 1985 after experiments in six large cities.

Since then, factory directors have held key positions, and have overall responsibility for enterprises, by being in control of production, policy-making and hiring and firing.

In the past, factory party committees were in charge of everything, while directors had no decisive say in management and this created a situation in which no one was responsible so economic development was hindered.

However, in recent years the initiative of the workers has been frustrated because some persons have sought to blunt the role of the working class. Ordinary workers in some factories have almost no say in factory management in the wake of the introduction of the factory director responsibility system.

At the Third Meeting of the 11th All-China Federation of Trade Unions, which closed this week, President Ni Zhifu stressed that it was necessary to secure the position and the power of the workers as the masters of the country, and to safeguard their legal rights and interests.

Earlier this year, workers' representatives in 75 factories in Siping City assessed the performance of officials in their factories. This won the support of the city government.

Those considered qualified were rewarded and nine unqualified factory directors failed to get half of the votes and were demoted.

The root cause for the dismissal of the nine officials was separation of themselves from the masses and arbitrariness.

"It wasn't a problem of the factory directory responsibility system itself. The problem was that some government officials and factory directors laid undue stress on monopolizing control and failed to rely on the masses", said Li Shutian, director of the Democratic Management Section of the Shenyang Municipal Trade Union Council.

The problem was discussed at the national conference of the National Committee of the Chinese People's Political Consultative Conference last spring, and some deputies urged that a labor law be worked out.

They said that the only way to adjust the relationship between factory directors and workers in Chinese enterprises is to legalize the rights and obligations of both sides instead of only counting on the improvement of the quality of factory directors.

Whether and how to stick to the "mass line" in factories poses a new task in China's future economic reform.

Spot Checks To Confirm Commodities Quality

*OW2907143389 Beijing XINHUA in English
1420 GMT 29 Jul 89*

[Text] Harbin, July 29 (XINHUA)—A leading member of the State Technology Superintendency announced here today that with the approval of the State Council, a spot check of the quality of five commodities will be made in 30 cities throughout China.

The nation-wide spot check will be done by the State Technology Superintendency and departments concerned. The cities will include the three municipalities, namely Beijing, Shanghai and Tianjin. However, the time when the check will be made and the varieties of the commodities to be checked will be kept in secret.

Those enterprises which are found to produce and sell false and bad products will be dealt with according to rules and laws concerned. Besides, they will be made public through mass media.

Network To Monitor Occupational Safety

*OW0208012689 Beijing XINHUA in English
0931 GMT 1 Aug 89*

[Text] Beijing, August 1 (XINHUA)—A national information network has been formed by the National Committee for Production Safety to monitor work-related cases of death and injury and incidences of professional diseases.

This is designed to better watch over work safety and help the departments concerned under the State Council solve key problems related to production safety.

It will provide timely information to different localities about the national situation of production safety, related directives by relevant leaders, serious enterprise, mine, railway, highway, water-transportation, air transport and fire accidents.

The network is also to make regular assessments of the production safety of key industries.

Forum Urges Greater Coal Mine Safety

*OW2807050589 Beijing XINHUA in English
1439 GMT 27 Jul 89*

[Text] Beijing, July 27 (XINHUA)—Mine accidents have left 110 people dead in the state-owned coal mines throughout the country in the past 56 days since June 1st, according to the China National Coal Corporation (CNCC) here today.

A total of 86 accidents were caused by roofs falling, transportation, flooding, and gas, and the per-million-ton death rate for the period increased by 21 percent compared with the first 5 months of this year.

At a meeting on coal mine safety operations, Zhao Quanfu, chief engineer of the CNCC, urged all state-owned coal mines to take urgent steps for safety operations. He said: "We did not find any of these accident inevitable. They happened just because of poor management."

He stressed that the situation changed for worse from the beginning of July as 2 accidents happened each day on average in the first 26 days of this month and have caused a total of 56 deaths, about 2.32 deaths for per million tons of coal.

Zhao said that about 46 percent of the state-owned coal mines, including those considered excellent in safety operations had accidents recently.

He warned the mine managers that more serious accidents would happen if urgent steps are not taken right now.

Commentator Urges Hard Work in Enterprises
HK3107104889 Beijing JINGJI RIBAO in Chinese
18 Jul 89 p 1

[Commentator's article: "Renew the Spirit of Building Enterprises Through Hard Work"]

[Text] At present, we have won a decisive victory in stopping disturbances and quelling counterrevolutionary rebellion. The storm was determined by the major international climate and the minor climate in China. However, when we review the matter soberly, we realize that there were obvious faults in our work. One of the faults was that we relaxed our political, ideological education, and that we gave up the spirit of building enterprises through hard work. This was a very serious lesson.

The spirit of building enterprises through hard work is the main national spirit of the Chinese nation. By relying on this spirit, the Chinese nation has been making unceasing efforts to improve itself over the past 5,000 years. It created its brilliant ancient civilization. Over the past 100 years or so, the Chinese people advanced wave upon wave to carry out their courageous struggle to topple the three big mountains. Relying on the spirit of building enterprises through hard work, the CPC has been leading people of various nationalities throughout the country to overcome various difficulties and obstacles by their own efforts to found an initially prosperous People's Republic.

However, the ideological trends of bourgeois liberalization which have occurred recently indiscriminately negate the Chinese traditional culture and national spirit. They indiscriminately regard the fine tradition of the party as "ossified and conservative," and stop at nothing to throw mud at it. In the meantime, some comrades inside the party, and some leading comrades in charge of the work of the central authorities in particular, have retreated continuously before the frantic attack of the bourgeois ideology. They have actually given up the four cardinal principles, treated the guiding principle of opposing bourgeois liberalization passively, and allowed various bourgeois ideas to spread unchecked. They have abandoned national spirit and the party's fine tradition, including the spirit of building enterprises through hard work.

1. Abandoning the spirit of building enterprises through hard work led to the growth of corrupted phenomena. Since the founding of the People's Republic, we persisted in building our enterprises through hard work. Although there were some mistakes and defects in our work, the contingent of our party was basically good. We stuck to the style of arduous struggle and plain living, and the prestige of the party was high. However, after the 3d Plenary Session of the 11th CPC Central Committee, we

led a better life. Just at that time, some people were advocating high consumption, saying that one should be "good at making profits and spending money," and that "leading consumption" was necessary. All this produced a very great influence over the people. Malpractices such as seeking material comfort, abusing power for private gain, violating law and discipline, corrupted phenomena, and so on occurred. This was a very profound lesson.

2. The general mood of the society has been corrupted because of the abandonment of the spirit of building enterprises through hard work. We improperly or unlimitedly raised people's expectation of reform. This brought enormous difficulties to our cause. In a fairly long historical period after the founding of the People's Republic, our party attached importance to providing people with education in building enterprises through hard work. Although our material supply was insufficient, the masses worked with one heart and one mind to strive for the realization of the lofty ideals of communism. The general mood of the society was good, and the masses supported the guiding principles and policies of the party and government. Over the past 10 years, the material living standards of the masses has improved. However, some people's spirit of working hard for the lofty ideals got blunted. They "put money above everything else," and haggled over private gains at the expense of the interests of the state and nation. The ideas of despising their own motherland and people, of worshipping and having blind faith in things foreign, and the unhealthy trends of being content with superficial understanding, vulgarism, corruption, and even degeneration spread unchecked. Such ugly things, which had already disappeared shortly after the founding of the People's Republic, occurred again. Due to the abandonment of the spirit of building enterprises through hard work, many people focused their attention on their "actual benefits." Everybody was happy with the increasing improvement of their living standards. However, whenever slight mistakes or setbacks occurred in reform, or when their high material and welfare demands could not be satisfied, they felt dissatisfied, or cast doubt upon reform.

Due to the fact that we gave up the education concerned with building enterprises through hard work, the broad masses of our youths, and those young students who had little experience in life in particular, were unable to understand China's national conditions, the history of the Chinese nation, and the history of struggle of the Chinese people over the past 100 years in particular. They also failed to understand the serious contradiction between China's meager economic resources and its large population. As a result, it was impossible for them to realize the arduous, protracted, and complicated nature of the reform. Some naive young students even regarded the differences in the stages of economic development between China and foreign countries as the merits and demerits of social systems. They cast doubt upon the superiority of the socialist system, and were

misled by Western bourgeois political, ideological ideas of every hue. Some were led by the nose by some plotters. A tiny number of them became daring vanguards in opposing socialism.

Through this storm, we soberly realize that to fulfill the magnificent goal of realizing the four modernizations, we must renew the spirit of building enterprises through hard work. Through this storm, we realize more clearly that to eliminate corrupted phenomenon, promote a clean and honest administration, and improve the relations between the party and the people, we must also renew the spirit of building enterprises through hard work. Leading cadres must set a good example in this regard. Cleanliness makes one wise, whereas honesty makes one powerful. If our leading cadres can take the lead in carrying out arduous struggle and promoting honest administration, they can bring along the majority of cadres, masses, and youths to foster the spirit of building enterprises through hard work. We must overcome various difficulties and obstacles to strive for the magnificent goal of communism, so that our cause of reform and opening up can progress more smoothly, effectively, and faster.

Customs Authorities Declare War on Smugglers
HK3107021689 Beijing CHINA DAILY in English
31 Jul 89 p 1

[By our staff reporters Liang Chao and Chang Hong]

[Text] Chinese customs authorities have declared war on smugglers and their drive is paying off.

Chinese police and customs have foiled a record number of smuggling attempts and seized an unprecedented quantity of contraband since the beginning of this year.

CHINA DAILY was told yesterday in an exclusive interview that the customs authorities have discovered 5,836 cases of smuggling, which is 19 percent higher than for the same period of last year.

The confiscated contraband was worth over 224 million yuan up four times over that of the same period of last year, spokesmen for the Investigation Department under the Customs General Administration (CGA) told our reporters.

They told how they investigated four cases, each involving 10 million yuan, in the first six months of this year while only one of that size was discovered during that period last year.

The number of cases involving more than one million yuan was four times higher.

Statistics from the CGA showed that various enterprises and institutions involved in 275 cases of smuggling goods worth more than 69.4 million yuan, was up 47 percent.

Two hundred and thirty alleged smugglers are under legal investigation." Cases of smuggling have risen mainly in two areas: the increase in smuggling at sea and the reselling of imported materials or goods for illegal profits," the officials said.

More than 90 million yuan of illicit goods, mainly foreign cigarettes and domestic electrical appliances—over 40 percent of the total value seized by the CGA—were smuggled into China by sea, the officials pointed out.

Meanwhile Chinese frontier authorities have cracked down on 1,444 smuggling cases at sea and seized goods worth 168 million yuan. This is about the same as the 1988 total.

Smuggling at sea is particularly serious in the coastal provinces of Guangdong, Fujian, Zhejiang and Hainan.

According to an official of the Frontier Defence Bureau under the Ministry of Public Security, cases discovered in Guangdong during the period constitute nearly 70 percent of the national total and the goods confiscated in the region are valued at 148 million yuan.

He said cigarettes still top the list of smuggled items at sea and 79,123 boxes, each containing 10,000 cigarettes, have been grabbed in the first half of this year. The figure is about 22,000 boxes more than the 1988 total.

In June 19, a Hong Kong boat carrying 15,000 boxes of foreign cigarettes valued at 300 million yuan was caught near Shanwei, Guangdong.

The ministry official said there has been an increase in the number of boats involved in smuggling from Hong Kong, Macao and Taiwan. Of the 941 vessels caught during the first half of this year, 51 were from the three regions, while in 1988 only eight to nine boats were caught.

Now Chinese public security, customs and industry and commerce administrative authorities are planning to set up a co-ordination group to crack down on smuggling.

Observers here believed that a plan aimed at taking strong measures against smuggling along southeast China's coastal provinces will also be worked out soon.

Tiananmen Reports Increase in Visitors
OW0108181989 Beijing XINHUA in English
1132 GMT 1 Aug 89

[Text] Beijing, August 1 (XINHUA)—Beijing's Tiananmen Rostrum has received 46,385 visitors from both home and abroad since its reopening on July 1.

According to an official of the Tiananmen Administration Office, since the rostrum reopened to visitors a month ago, increasing numbers of people have come to

visit it. It receives 1,496 visitors a day on average, including leaders of foreign countries, overseas visitors, officials and soldiers from the martial law enforcement troops, and domestic visitors.

The official said visitors welcomed the reopening of the rostrum. Invited by the Beijing Tourism Administration, more than 400 travel agents from 29 countries visited the rostrum. After the visit they had a better understanding of the stable social order in Beijing.

Occupancy Rises in Beijing Joint Venture Hotels
OW0308021289 Beijing XINHUA in English
0655 GMT 2 Aug 89

[Text] Beijing, August 2 (XINHUA)—The occupancy rate for most major Sino-foreign joint venture hotels in Beijing has risen since last month but the highest is still only 50 percent.

Except the Great Wall Sheraton Hotel whose occupancy rate remained static in early July compared with June, most other hotels recorded a slight growth in the number of customers with the Jianguo Hotel taking the lead at 50 percent, according to a newly released report by the Ministry of Foreign Economic Relations and Trade.

The report singles out the Palace Hotel in the downtown business district, saying that both its Chinese and foreign staff remained on the job in June allowing for normal operation. This enabled the hotel to keep its occupancy rate at 50 percent even during that chaotic month.

Among the 18 joint venture hotels here, 884 foreign employees left Beijing in June, the report says, but about 90 percent of them had come back to their posts by early July.

Beijing To 'Rectify' Tourism Industry
OW0108090089 Beijing XINHUA in English
0719 GMT 1 Aug 89

[Text] Beijing, August 1 (XINHUA)—Beijing will rectify its tourism industry to improve the service quality, improve the tourism environment and protect the interests of overseas visitors to Beijing.

The rectification will be conducted in travel agencies; hotels, restaurants and department stores for overseas visitors; taxi companies; and scenic spots.

Bo Xicheng, head of the Beijing Tourism Bureau, said at a Beijing tourism meeting that the local tourism market now has various problems which affect its reputation and the quality of service.

He said in the past few years the number of travel agencies in Beijing proper has increased rapidly. The travel agencies in the Beijing metropolitan area that can receive foreign tourists now comes to 79. The staff of some agencies are not qualified for their jobs and some

guides illegally change foreign currency with foreign tourists and resell it at a profit. Asking for sales commissions and tips is also quite common among guides.

In addition, he said, some taxi drivers ask for much higher prices and a number of scenic points are quite dirty.

Bo said, the business licences of hotels not up to standard will be cancelled. Those who receive sales commissions, ask for tips, and ask for higher taxi prices will be dismissed as soon as their actions are discovered. The Tourism Bureau will announce their names so other travel agencies or taxi companies do not employ them.

Beijing will inspect its approximately 300 hotels permitted to receive foreign tourists. Hotels that are not qualified to receive foreign visitors will not be permitted to receive foreigners after the inspection.

Bo said, telephone complaint lines will still be effective and comment cards will be given to overseas tourists so that problems can be handled swiftly.

At the same time, all the people serving in Beijing tourism units will have professional training.

In the first four months of this year, Beijing received about 300,000 overseas tourists, six percent higher than that of the same period last year. While from May to June, the number of foreign tourists was reduced sharply because of the turmoil and counter-revolutionary rebellion, since the end of June, a number of foreign visitors have come to Beijing. The occupancy rates of the Great Wall Sheraton Hotel and the Xiyuan Hotel have reached 50 to 60 percent.

Soda Production Factories To Begin Operations
OW0108174989 Beijing XINHUA in English
0947 GMT 31 Jul 89

[Text] Beijing, July 31 (XINHUA)—China's three large newly built soda producers, each with an annual production capacity of 600,000 tons, are expected to begin producing by the end of this year.

The three are at Weifang in Shandong Province, Tangshan in Hebei Province and Lianyungang in Jiangsu Province. Their construction, started in 1986, is now progressing smoothly.

Today's OVERSEAS EDITION of "PEOPLE'S DAILY" reported that key equipment for the Weifang soda plant is imported from Federal Germany, and the other plants use domestically manufactured equipment.

The paper quoted the Ministry of Chemical Industry as saying that the Weifang and Tangshan soda plants have been put into trial production and trial operation respectively.

Completion of the three large soda producers will greatly ease China's shortage of soda supplies.

Besides these three projects, six chemical projects will go into operation within the year, including expansion of the Honghe Chemical Works in Zigong, Sichuan Province, the Dagou Chemical Works in Tianjin and one in Dalian, Liaoning Province.

False Reporting of Farmland Area Charged

HK0308004389 Beijing RENMIN RIBAO in Chinese
31 Jul 89 p 2

[XINHUA report by ZHONGGUO TONGJI XINXI BAO reporters Li Jianlin (2621 1696 2651) and Wang Qingping (3769 7230 5493): "Farmland Area Reported to the State as Much Less than Actual Area; Official Says Those who Make False Reports Shall Be Punished"]

[Text] Beijing, 30 Jul (XINHUA)—A State Land Administration Bureau source has revealed that China's actual farmland area is larger than the figure now available, mainly due to false data on farmland area provided by local authorities.

The official record on farmland area known to the State Statistical Bureau is 1,436 million mu. However, a nationwide survey of the use of farmland (detailed land survey) currently being conducted by the State Land Administration Bureau shows that much of the provided farmland statistical data is inaccurate. By the end of 1988, a detailed farmland survey had been completed in a total of 316 counties of the country, and it had been found that the verified farmland areas of these counties were usually 20 to 30 percent higher than the originally reported figures. According to a completed survey in Hunan Province, the verified data were 18 to 94 percent higher than the statistical data collected in 1983. Even the data obtained from the latest detailed farmland survey is suspect since some local authorities did not want to provide accurate data and were afraid that accurate statistics on farmland area would lead to an increase in the agricultural tax and the grain procurement quota, which would have a negative effect on the local governments' efforts toward economic development.

The responsible person of the Land Registration Section of the State Land Administration Bureau noted: An analysis of the 1988 annual land statistical report shows that there was a marked discrepancy between the reported statistical figure and the actual area of land used for construction, indicating an attempt to evade taxes on the use of farmland for nonagricultural purposes. It is said that the annual records of land area used for construction given by three provinces (regions) were even lower than the total sums for the first three quarters previously reported by these provinces (regions). During

that year's national statistical report meeting, land statistical personnel from some provinces were busy making every effort to reduce the figures by one-third, as instructed by their superiors.

This responsible person said the State Council and the State Land Administration Bureau have already taken a series of measures to ensure the accuracy and reliability of land statistical data. The currently available land statistical data will not be used as a basis to calculate different charges before the ongoing, nationwide detailed land survey is completed. Any person attempting to interfere in and obstruct the land survey or to provide false data with a selfish motive will be punished according to party discipline and state law.

Sales System Changes Farm Use Products Market

OW0308122789 Beijing XINHUA in English
1021 GMT 3 Aug 89

[Text] Beijing, August 3 (XINHUA)—The monopolized sale of farm use products, started in China late last year, has changed the chaotic market conditions which existed previously and spurred production and storage, says a survey by the State Statistical Bureau.

In the first half of this year, the bureau said, China produced 9.05 million tons of chemical fertilizer, a drop of 1.3 percent compared with the same period last year, and 127,000 tons of pesticides, an increase of 12.8 percent over the same period last year despite the shortages of raw materials, electricity and investment which prevail under the state austerity policy.

According to a survey of Zhoukou Prefecture in Henan Province, the region has closed down 101 non-monopolized departments, confiscated 2,000 tons of chemical fertilizer, 92 tons of pesticide and punished some of the departments selling fake products.

Meanwhile, some of the small chemical fertilizer enterprises were closed down due to slow payments by marketing units and the rising prices of raw materials. Problems have occurred as the major grain production areas cannot get enough supplies while large quantities of farm use products are stored in factories or stores, according to information from the Ministry of Agriculture.

Commentator Urges Greater Support for Agriculture

HK3007082089 Beijing JINGJI RIBAO in Chinese
19 Jul 89 p 1

[Commentator's article: "Make Great Efforts To Support Agriculture, Reap an Overall Bumper Harvest"]

[Text] To reap a bumper harvest in agriculture was the Central Committee's call at the beginning of the year, as well as an important essence in the economic work in 1989. Under the present situation in particular, the

reaping of a bumper harvest has an even greater significance to stabilizing the economy and the overall situation. The summer harvest is basically over now. The output of summer grain was around 3 billion kg. This is a very good beginning for the annual bumper harvest. Facing us now is an even more arduous task, which is none other than doing everything we can for a bumper harvest in autumn grain in concert with efforts to guarantee the fulfillment of an annual overall bumper harvest.

Governments and relevant departments at all levels have strengthened leadership and support for agriculture since the beginning of this year, and have "leaned" towards agriculture regarding input while they have "warmed up" their work in agriculture. They have done a lot of work and adopted many measures concerning industrial construction for agricultural use and the supply of agricultural production materials. The effects can be felt although improvement is still desired in many aspects. Even under the condition of financial strain this year, the government has made some "fine tuning" [wei tiao 1792 6148] in prices for the contracted procurement of grain. This measure has to a certain extent eased the contradiction which has resulted from the rather wide gap between contracted prices and market prices for grain. Thus, the measure has further given play to peasants' enthusiasm for planting and selling grain. The balanced output increase in summer grain and edible oil over huge acreage has been realized, and summer grain procurement work has been going on rather smoothly.

However, we must also see that many unfavorable factors that affect and restrict agricultural development have not been basically eliminated. Remaining unsolved is the contradiction between the drastic growth in grain demand resulting from the population increase and acute shrinkage of arable land, and the limited increase in the volume of grain supply as well as the serious insufficiency of staying power in agricultural development. Furthermore, natural disasters of every description that keep attacking the rural areas, the serious damage of water conservancy installations because of negligence in maintenance over the years, and the slow progress in applying the results of agricultural science and technical know-how all mean difficulties for reaping an overall bumper harvest this year. At present, governments and relevant departments at all levels nationwide should further strengthen leadership, overcome the careless and slack mood, and do a good job in promoting a bumper harvest in a down-to-earth manner.

All industries and trades should be eager to meet the needs of the peasants, and show consideration for them while they should do their best to increase production in agriculture wholeheartedly. Many problems exist in some localities at present, and efforts should be exerted to find a solution. For example, although the government has repeated its order, some localities have so far failed to effectively control the rise in price of such important production materials as chemical fertilizers

and insecticides. Mostly because of the effects of the circulation links and "official profiteering," the range in price can be rather wide; consequently, the peasants' enthusiasm for production has been affected. Relevant departments have recently investigated and handled cases involving the violation of prices for agricultural production materials nationwide during the spring farming season, and discovered that the proportion of such cases involving agricultural production materials management units accounted for 95 percent of all cases. Take another example: Many localities have not fully implemented the central requirement on increasing agricultural input and establishing agricultural development funds; in some localities, such funds had been channeled to other uses or intercepted. In other localities, irrational apportioning has kept on increasing while comprehensive services, which the peasants urgently need, have failed. All this is unfavorable to agricultural development, and giving play to the peasants' enthusiasm.

Agriculture is of course the bounden duty of agricultural departments and the peasants. However, agriculture is the capital industry in the national economy; it is necessary to give play to the strength of the whole society, and to mobilize the wholehearted support and help from the urban areas and industrial departments. All professions and trades should attach great importance to the issue of agriculture, and to contributing each a share to reaping a bumper harvest this year. Besides, relevant departments should create a sound climate for agricultural development and increasing grain output through practical work, and promptly resolve peasants' problems and difficulties. Those cases regarding the injuring of the peasants' interests and creating difficulties for them to fatten one's own purse in violation of the law and discipline must be seriously and earnestly dealt with in the course of pushing forward the building of a clean government and the punishing corruption. So long as we brace ourselves, improve our style, go deep to the forefront of agricultural production, listen better to what the peasants say, do more practical work, and strengthen the leadership in agriculture and in rendering services in a down-to-earth way, an overall bumper harvest this year will be a reality.

RENMIN RIBAO on Surplus Rural Labor

HK2807044689 Beijing RENMIN RIBAO in Chinese
21 Jul 89 p 6

[Article by Li Dongming (2621 2639 2494) and Li Yaofeng (2621 5069 6912): "Thoughts Related to the Transfer of Surplus Agricultural Labor Forces"]

[Text] The nationwide capital construction investment squeeze beginning in the second half of last year and the reduced space of economic development have caused several million peasant construction workers and those workers not included in plans to return to the countryside. Then, what should be our approach to this problem under the current situation? In the near future, and on a

medium- and long-term basis, how should we stimulate the migration of surplus rural labor? This writer has something to say on this matter.

At present, our economic development is in a period of improvement and rectification. Through the improvement and rectification effort and through a proper reduction of the pace of industrial growth, the readjustment of the industrial mix, and the gradual alleviation and elimination of inflation, we must stimulate the smooth growth of the economy in a sustained manner. In bringing about a change in the industrial mix, we must put the emphasis on two aspects: 1) We must energetically promote agricultural development, and bring about a switchover from traditional agriculture to modernized agriculture. Agriculture is the base of the national economy. Given no agricultural development, there is no way to bring about industrial development. Even with industrial development achieved, a serious economic imbalance would likely occur; and 2) we must reduce the too rapid pace of industrial development and change the mix of investments. Our improvement and rectification effort has started with efforts in these respects.

Our agriculture in its current stage is still very weak. But, there is much surplus labor on the agricultural front. According to an estimate, under current production conditions, the number of workers needed to guarantee no decline in land productivity is 75 million. Counting those workers devoted to afforestation, animal-breeding, sideline production, and fishing as in the category of farm workers, the state's countryside as a whole now still has at least 100 million or more surplus workers. This situation has left a large number of farm workers unemployed, causing waste. This does not help in introducing modern agricultural technology and using modern machinery, thus hindering the progress of agricultural modernization. On the other hand, because most of the primary products produced in agriculture are directly absorbed by the rural population, this has restricted the supply of more agricultural products by agriculture to industrial and other undertakings, with a restraining effect on the latter's development. Therefore, large numbers of surplus workers existing in agriculture represent not just a big obstacle to the realization of agricultural modernization, but also a realistic problem facing us in rationalizing the industrial mix.

The history of economic development of developed countries shows that any country must go through a gradual reduction in farm workers sooner or later. The process of worker migration with a gradual increase in nonagricultural workers is an objective law of economic development. Our country must similarly go through this process.

To bring about a shift of surplus farm workers, we must first define the manner of transfer. In the process of economic development, the world's many countries once experienced a surplus of rural workers and a shortage of urban workers. Just by completing the transfer of surplus

rural workers to cities, these countries could accomplish the task they wanted to do. But actual conditions in our country are: A surplus of rural workers goes hand in hand with a surplus of urban workers. This has dictated the unique direction that the transfer of our surplus rural workers must follow. The manner of transferring our surplus rural workers in recent years may generally be summed up as two patterns: One is an internal transfer to nonagricultural sectors in the countryside, with mostly on-the-spot transfers involved. In the past few years, through developing the rural industry and the tertiary industry, as well as through other channels, work was arranged for large numbers of surplus rural workers on the spot. According to statistics, in 1987, 80 million surplus rural workers of the country were transferred to the secondary and tertiary industries. This constituted a channel for the transfer of rural workers. Another pattern is a transfer to cities. Some service trades and industrial production departments in cities need to recruit some surplus rural workers that can adapt to the features of a given trade or industry. During the period of the "Sixth 5-Year Plan," about 1 million rural workers became urban workers on the average every year. The total number of people transferred represented 13.4 percent of the total of newly employed people in cities during the period of the "Sixth 5-Year Plan." Moreover, every year in the past few years, several million rural construction workers have engaged in various construction activities in cities. Some of the peasants have entered cities to engage in trading or take up service trades.

At present, our country is in a period of improvement and rectification. Cities cannot continue absorbing large numbers of surplus rural workers. Therefore, in the near future, the chief channel of transfer for surplus rural workers can only be local absorption in the countryside. The number so involved should not be too large. The speed should not be too quick. In the process of this transfer, there is the need to pay close attention to the proper handling of a series of work programs. First, we must use taxation, credit, and other economic means, encouraging town and township enterprises to avail themselves of the opportunity of improvement and rectification to actively readjust and perfect the structure. For example, we must produce marketable products in short supply and good-quality products of well-known brands, and develop the energy industry, communications and transportation, raw materials-related industries, support-agriculture industries, and so forth. This is to allow not only an improvement in effective supplies, but also an absorption of surplus rural workers. Second, state foreign trade departments should increase investment in the countryside, and develop small-sized labor-intensive enterprises earning foreign exchange. They should especially energetically develop the production of our country's traditional products, such as handicrafts, knitted goods, embroideries, and so forth, capable of absorbing large numbers of workers. Third, relevant government departments must organize the transfer of surplus rural workers in a planned manner. At present,

there is a gap in employment opportunities between economically developed areas and backward areas in our country. This naturally leads to the migration of rural workers from economically backward areas to economically developed ones. This calls for organizational and management efforts by the relevant department to avoid a series of social problems arising from the blind migration of workers.

From a long-term point of view, the number of surplus rural workers heading toward urban industries and other industrial sectors will become ever larger. This has a great stimulating effect on the whole national economy and social development. It finds expression in the following: 1) We can stimulate the rational circulation of social resources and improve the state of resources deployment, enabling the production elements to switch from sectors with a relatively low productivity limit to sectors with a relatively high productivity, thus bringing about a continuous improvement in the level of total yields from social production; 2) given the small number of surplus rural workers allowed to enter cities, through appropriate and rational competition, we can encourage urban enterprise workers to concentrate on their work and improve labor productivity; and 3) we can avoid or reduce certain evil effects on economic and social development arising from surplus rural workers one-sidedly heading for nonagricultural industries in the countryside. Cities may be put in three categories—the large, the medium-sized and the small. Large cities now existing in our country are irrationally distributed. In light of local conditions, we must, in a planned manner, turn small and medium-sized cities into large cities. Concerning certain industries that should not be concentrated in large cities, there is the need for a planned transfer to medium-sized and small cities. This is especially true of town and township industries that have proliferated in the past few years. Some also need to be appropriately concentrated in medium-sized and small cities. Now, our medium-sized and small cities have, in number, still fallen far short of the above needs. Therefore, we must still energetically develop medium-sized and small cities, including ubiquitous towns and mini-cities. The development of medium-sized and small cities not only fits in with the needs of industrial concentration in the countryside, but also meets the demand of urbanization. Therefore, from a long- or medium-term point of view, the best way to transfer surplus rural labor may be as follows: Mostly with town and township enterprises as carriers, and through concentration in town and township industries, surplus rural workers should find their way into medium-sized and, especially, small cities.

Meanwhile, an appropriate amount of surplus labor must enter large cities to satisfy the needs of certain industries and departments there.

To realize the transfer of rural labor, we must strengthen rural education and improve the quality of peasants. This has, to a large degree, determined the scope of their employment. The higher the cultural level, the easier it is to learn skills. The greater the ability to take advantage of the market, the greater the job opportunities. Otherwise, the scope for employment is very narrow. But, the education program must change with changes in the sector mix of the national economy. Otherwise, even given compatibility between the total amount of labor and the needs of economic growth, the labor mix cannot satisfy the needs of economic growth. To this end, we must subject migrating surplus rural workers to various forms of cultural and technical training. More important, we must increase education investments in various forms to strengthen fundamental rural education, improve the educational structure, and upgrade the cultural quality of reserve rural workers. Only this will help the transfer of surplus rural labor.

Microbiological Pesticides Improve Agriculture

OW2807133089 Beijing XINHUA in English
0942 GMT 28 Jul 89

[Text] Beijing, July 28 (XINHUA)—Biological means to control crop diseases and pest are now used on over 20 million hectares of farmland, following ten years of development, the "PEOPLE'S DAILY" reports today.

The report says the practice has not only promoted agricultural production, but also has many other positive effects, such as maintaining biological balance, saving energy and reducing production costs.

Development of the microbiological pesticides has saved large quantities of chemical pesticides and resulted in an increase in grain output.

Protection of natural enemies of harmful insects has been encouraged. So far, rice pests in over 3 million hectares of land in the lower reaches of the Yangtze River and Guangdong Province have been controlled by beneficial insects, reducing the use of chemical pesticides in these areas by nearly 50 percent.

The report also says that China has strengthened mass cultivation of quality beneficial insects and imported the insects from a dozen countries more than 100 times.

East Region

Anhui Issues Circular on Clean Government

OW0408212989 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 26 Jul 89

[Text] On 25 July, the provincial party committee and government issued a circular urging all localities and departments to continue to closely investigate and straighten out irregularities, while taking concrete actions to maintain integrity, crack down on cases of corruption, and effectively solve the fairly prominent issues that have aroused strong complaints from the masses, to gain the people's trust.

Good work in the following five areas should be the top priority:

1. Resolutely investigate and punish party and government cadres, leading cadres in particular, who are involved in cases of grave importance such as abuse of power to seek selfish interest, embezzlement and bribe-taking. We should concentrate our efforts and thoroughly investigate these cases once they are uncovered, and resolutely handle them according to the law. The typical cases should be selected and publicized. Cadres who have abused power to seek selfish interests, and engaged in embezzlement, bribe-taking, and other activities in violation of discipline and the law, should confess their wrongdoings to receive lenient treatment. Those who have committed serious wrongdoings and refused to make confession, or those who make confession only after being reported by the masses, shall be severely punished. All localities and departments should encourage and mobilize the masses to actively report violations of the law and discipline and other corruptive activities by state cadres. Once uncovered, the cases shall be investigated one by one. In handling cases for which clues are provided, it is necessary to resolutely remove all obstacles, resist intercession by people, thoroughly investigate the matter until everything comes to light, and mete out severe punishment. If cases of grave importance are not investigated or handled, the leadership shall be held accountable. In the near future, a group of typical cases will be selected from the whole province and handled in the open.

2. Continue to screen and consolidate companies. Resolute efforts should be made to abolish companies which were established after the second half of 1986 and which should be abolished. Those which are allowed to remain should be consolidated in real earnest by following a correct course in business operation, solving the existing problems, and conducting operation strictly within the authorized scope. As regards some companies which have aroused strong complaints from the masses, the provincial party committee and government will solicit opinions from all sectors, and will timely decide on and publicize the ways to handle these cases. Companies with serious problems should be thoroughly investigated even if they have been abolished. It is necessary to resolutely

and severely punish those involved, no matter who they are, in accordance with party discipline, administrative discipline and the law. Do not let them get away once the companies are abolished. Cadres and workers of party and government organs are not allowed to run businesses or enterprises. Cadres and workers of party and government organs who hold full-time or part-time posts in companies should resign from their posts in these companies and return to work in their original units. They may also choose to resign from their posts in party and government organs and switch all their relationships to the companies. Children and spouses of on-the-job and retired cadres at and above the county and regiment levels who work in party and government organs and the subordinate establishments are not allowed to leave their posts to run businesses or enterprises. Those who do not work in party and government organs and the subordinate establishments are also not allowed to use the leading cadres' influence and relationships to run businesses or enterprises to seek illegal profits. Those who are found to have violated the law and discipline should be resolutely handled according to legal discipline. Nobody is allowed to shield or yield to them.

3. Resolutely correct the irregularities in housing, and strictly prohibit state cadres from using public funds, public-owned construction materials, or illegally-occupied land to build private housing. Such houses which are under construction should be halted immediately and examined. It is necessary to conduct investigations and studies on the building of private housing by cadres after the issuance of the open letter by the Central Discipline Inspection Commission in February 1983. Cases that have questionable sources of funds and construction materials, that involve illegally-occupied land, and that have aroused strong complaints from the masses should be selected as typical cases and handled in the open. The relevant regulations on the standards of cadres' housing should be strictly enforced. Those who have occupied housing above the standards should be ordered to withdraw from this part of the occupied housing within a set time limit. Those who refuse to withdraw shall be charged extra high rents for the occupied housing above the standards. It is strictly forbidden to keep luxurious housing in good repair by using public funds. If this stipulation is violated, the perpetrators and the persons giving the approval shall be held accountable. After conducting investigations and studies, provincial departments in charge should draft concrete regulations as soon as possible on how to handle the cases of state cadres who have violated discipline by building private housing, occupying luxurious housing, keeping these houses in good repair. These draft regulations shall be forwarded to the provincial government for approval before going into force.

4. Prohibit the use of public funds for feasting and giving gifts. Cadres of party and government organs should all take working meals when performing official duties within the province, that is, when they make inspections, conduct investigations and studies, pay visits and go on

study tours at subordinate units. Working meals are prepared according to set standards, and those dining will pay a fee as required. Units that receive visiting cadres are not allowed to make extra allowances or arrange feasts under any pretexts. Presenting gifts under any pretexts is strictly prohibited. The financial departments will not make reimbursements if these things occur in the future. Economic losses shall be borne by the responsible person who decided to present gifts. In serious cases, those who present gifts may be charged with the crime of offering bribes, and those who accept gifts may be charged with bribe-taking.

5. Strengthen the control of public-owned vehicles, and strictly implement the system for the use of vehicles. All party and government organs should be allotted vehicles strictly in accordance with fixed quotas. Vehicles above the quota shall be recalled by the traffic control departments of the government. In the future, party and government organs are all not allowed to procure any more high-class imported limousines. Leading cadres should take the lead in practicing austerity for a couple of years, and make every possible effort to economize on the use of vehicles and use the vehicles less often. Public-owned vehicles are not allowed to be used for private matters and by family members of leading cadres. Under unusual circumstances, when it becomes truly necessary to use these vehicles, a fee should be charged according to regulations. The circular stressed that leading organs and cadres should take the lead in maintaining integrity, opposing corruption, and promoting the development of a clean government. It is necessary to start with the provincial party committee and government, and the organs directly under the provincial jurisdiction. One level should set the example for and attend to the work at the next lower level, which should be responsible to the next higher level. We should persist in this work and do it thoroughly.

We should commend cadres who have paid close attention to cracking down on corruption, and made outstanding performance in checking embezzlement and promoting honesty. In the case of failure to conduct investigation after serious problems have cropped up, and of letting things slide and tolerating serious problems, those who are directly responsible shall be punished. In addition, the major responsible person of that unit shall also be held accountable.

The circular urged departments of discipline inspection, supervision, and auditing at all levels to tighten supervision and strictly perform their duties.

Fujian Issues Circular on Supporting Army
OW0508212389 Fuzhou FUJIAN RIBAO
in Chinese 16 Jul 89 p 1

[Text] Yesterday the Fujian Provincial Party Committee and the Fujian Provincial People's Government issued a "Circular on Extensively Supporting the Army, Giving

Preferential Treatment to Military Families, and Celebrating the '1 August' Army Day." In the circular, they call on all localities in Fujian to carry forward the glorious revolutionary tradition, and deeply and extensively support the military and give preferential treatment to military families; regard the project an important task to strengthen army-government and army-people unity; and whip up a province-wide upsurge in emulating, publicizing, cherishing, and supporting the People's Liberation Army [PLA]. The circular sets forth the following requirements:

1. We should extensively emulate the PLA and launch an all-out patriotic publicity drive to support the Army. The PLA is the steel Great Wall of the party and the state and the strong pillar of the dictatorship of the proletariat. Emulating the PLA is a long-term mission. To do a better job in celebrating this year's Army Day, the week-long period from late July to early August has been designated as a period for propagating emulation of the PLA. All localities should extensively propagate the PLA's great contributions in thwarting upheavals and suppressing the counterrevolutionary rebellion and their moving deeds in supporting the government and cherishing the people; the PLA's meritorious services in creating, safeguarding, and constructing the People's Republic; and the major contributions made by the troops stationed in Fujian, officers and men of the Armed Police Force, as well as public security police in taking part in reform, opening up, and economic construction; in firmly thwarting upheavals; and in stabilizing the situation in Fujian. All propaganda departments and press units must regard publicizing the PLA and celebrating Army Day an important job and do it well. The Propaganda Department of the provincial party committee should work with the Fujian Provincial Military District and the Armed Police Force in organizing meetings to hear reports about the deeds of heroes and models. We should make a success of these activities so that they can enhance army-government and army-people unity and make the people more conscious about defense and the need to trust, understand, and support the PLA.

2. We should extensively support the military and give preferential treatment to military dependents by providing them useful services. All local authorities should organize and mobilize government organs, mass organizations, enterprises, institutions, and grass-roots organizations to visit garrisoned troops and military retirees, especially the PLA, Armed Police Force, and public security police who have contributed to thwarting upheavals and safeguarding social stability. We should give special care to disabled servicemen and family members of martyrs and servicemen, and earnestly carry out all placement policies. We should, in particular, take special care of the families of servicemen wounded in thwarting upheavals and suppressing the counterrevolutionary rebellion, and help them solve their living and production problems.

3. We should carry forward the fine tradition of organizing servicemen and people to take part in material and

spiritual construction. All local authorities should pay attention to promoting cooperation between the Armed Forces and the civilian departments and make it a means for maintaining good army-government and army-people relations. We should sum up our experience in this regard so as to make our material and spiritual construction an even bigger success.

4. We should improve supply, support production, and provide better services. All party committees and governments must sponsor meetings to hear the garrisoned troops' opinions and demands, make earnest efforts to improve our work, and assist the troops in solving their living and production problems. We should continue to support the military in its nonstaple food production by giving them more preferential treatment.

5. We should evaluate the performance of advanced servicemen and make them the pacesetters. While marking Army Day, all localities should, in accordance with their actual situation, commend the units and individuals who have distinguished themselves in supporting the military and giving preferential treatment to military families, model recipients of such treatment, families who supported their children's participation in thwarting upheavals and suppressing the counterrevolutionary rebellion, and individuals who organized armymen, police, and people to take part in material and spiritual construction. We should publicize their advanced deeds to expedite Fujian's support-army endeavors, its placement programs for disabled servicemen and family members of martyrs and servicemen, and its material and spiritual construction.

6. We should provide better organizational leadership and make a success of the Army Day celebrations. All party and government organs should seriously and carefully plan their support-army activities. All civil affairs departments should keep in mind the actual situation, come up with specific plans, and earnestly organize their implementation. All departments and mass organizations should work closely and support one another in supporting the military and caring for disabled servicemen and family members of martyrs and servicemen; and emulate, publicize, cherish, and support the PLA in an extensive and sustained manner.

Taiwan Increases Investment in Fujian
HK0508043889 Beijing CHINA DAILY
in English 5 Aug 89 p 2

[By staff reporter Zhang Ping]

[Text] Fuzhou—Taiwan investment in coastal Fujian Province has been increasing this year despite the recent unrest in Beijing.

Last year Taiwanese investments made up 22 percent of the total overseas investments. This year they make up 35 percent, Zhang Shoushan, deputy director of Fujian Provincial Commission of Foreign Economic Relations and Trade said.

He said that in the first six months of this year, the province approved 479 overseas-funded ventures worth \$354 million. The number was up 42 percent and the value, 1.06 percent over the same period last year.

These have included 135 ventures worth \$124 million and been funded by Taiwan businessmen.

He disclosed that several joint ventures with a planned investment of over \$10 million are under negotiation in the province.

"Fujian lies directly across from Taiwan and is the home to many people in Taiwan, so the island has become one of the most important partners in our drive to attract more foreign investment," Zhang said.

So far, over 80 percent of its present overseas investment comes from Taiwan and Hong Kong.

Businessmen from Taiwan and Hong Kong areas continued to show interest even in the most difficult period.

Zhang said that in May the province approved 79 ventures with foreign investment of \$482.6 million. In June 80 ventures were approved worth \$819.8 million.

However, Zhang admitted that most of the ventures signed this year had been planned and discussed since last year.

He said the effect from the unrest in Beijing might show up in the second half of this year and next year.

Early next month, Fujian is to hold a foreign investment fair in Xiamen.

Foreign investment has already played an important role in the Fujian economy.

In the first half of this year, the output value of foreign-funded ventures reached 2.58 billion yuan, accounting for 19.8 percent of the province's total output value.

The export value in these ventures reached \$116.15 million, accounting for 18 percent of the province's total export value.

Starting this year, more solely foreign-funded ventures have been set up in Fujian. Of all the ventures approved this year, one third fall into the solely foreign-funded category.

Jiangxi Secretary Visits Photo Exhibition

OW0508114889 Nanchang Jiangxi Provincial Service
in Mandarin 1000 GMT 31 Jul 89

[By station reporter (Shangguan Xiaozheng); from the
"Provincial Hookup" program]

[Text] An exhibition of 150 pictures featuring the strenuous efforts made by soldiers and civilians in the province to prevent flooding and to help themselves by promoting production took place in the exhibition hall of the provincial Federation of Literature and Art on the eve of 1 August.

This morning Mao Zhiyong, Wu Guanzheng, Liu Fangren, Jiang Zhuping, Wang Zhaorong, (Lu Xuzhen), Zhao Zengyi, Chen Guizun, and other leading comrades visited the exhibition with great interest.

The provincial leading comrades praised the photographers' enterprising spirit and sense of responsibility characterized by being fearless in the face of difficulty as well as their action to use photographic works to vividly prove the fact that the CPC's leadership and the socialist system are a reliable guarantee for the victory of the people's struggle against natural disasters.

The photographs on display, which are fine works carefully selected from among over 1,000 photographs, will later be sent to other places around the province for exhibition.

Jiangxi Governor Attends Price Control Conference

OW0308020689 Nanchang Jiangxi Provincial Service
in Mandarin 1000 GMT 29 Jul 89

[Text] A provincial conference attended by directors of price bureaus from various prefectures and cities recently ended in Nanchang. The conference urged price control departments at various levels to direct their attention mainly to prices of daily necessities, major materials for agricultural use, and important industrial raw materials. It also urged them to intensify their efforts in price inspection and supervision to slow down the province-wide uptrend for commodity prices.

Jiangxi has resolutely carried out the policy of improving the economic environment, rectifying economic order, and reform in the first half of this year. As a result, its combined index of retail prices was 2.3 percent lower than late last year. It was also lower than China's average of the same period. However, it remains considerably difficult to achieve this year's price control target.

The conference said: Various localities should strengthen the macroscopic economic regulation and control in a unified manner, work hard for the supply of coal and electricity, and ensure the production of readily salable goods and raw and semifinished materials in short supply. Governments and departments below the provincial level are not allowed to hike prices without approval.

Prices of important deregulated commodities must be first reported to authorities before being quoted. In addition, it is necessary to formulate quotation rules prescribing that no price hikes are allowed within this year. Price control departments must continue to supervise and inspect commodity prices. They should overcome difficulties and severely deal with those who hike prices without authorization, collect excessive fees, jack up prices in disguised form, or fabricate rumors of price hikes to disrupt market order.

Governor Wu Guanzheng and Vice Governor Sun Xiyue addressed the meeting.

Jiangxi Leaders at Police Award Rally

OW0408125389 Nanchang JIANGXI RIBAO
in Chinese 20 Jul 89 p 1

[Excerpts] Public security departments at all levels, public security cadres and policemen, and Armed Police in our province stood a stern test in the struggle to stop the turmoil and safeguard public order and made great contributions for the party and people. On the morning of 19 July, the provincial public security department solemnly held a rally to commend the advanced public security, Armed Police, security units, and individuals who made contributions to stopping the turmoil. Provincial party, government, and military leaders, including Mao Zhiyong, Wu Guanzheng, Liu Fangren, Jiang Zhuping, Wang Zhaorong, Zhao Zengyi, Xu Qin, Wu Ping, Wang Guande, and Cheng Andong attended the rally. [passage omitted]

Governor Wu Guanzheng spoke. He praised the high degree of political consciousness, rigorous discipline, sense of organization, and the selfless spirit of sacrifice displayed by the public security police in checking the turmoil. He said: In the face of a serious struggle involving the destiny of the party and the state, public security departments and the vast number of public security police, Armed Police, and security cadres kept a clear head and vigorous spirit, took a clear-cut stand, spared no efforts in struggling against the turmoil, and made contributions to stabilizing Jiangxi and safeguarding the overall situation. [passage omitted]

Representatives of the awarded advanced units and individuals also spoke.

Leaders of the province and city conferred certificates of merit, medals, and money award on 33 advanced units and 76 advanced individuals.

Shandong Awards Winners of Defense Contest

SK0408123789 Jinan Shandong Provincial Service
in Mandarin 2200 GMT 30 Jul 89

[Text] Shandong Province sponsored a prize-giving ceremony in honor of the winners who had participated in the provincial contest on the knowledge of national defense in the city of Jinan on 30 July. The contest is

aimed at practically testing the province's achievements scored in the national defense education, which has been conducted among the people over the past few years. The province completed the contest from 30 May to 25 June. During the 25 days, those who sat for the contest mailed 250,000 answered test papers to the authorities. The number of examinees reached more than 600,000. Of these examinees, more than 2,500 are of leading cadres at or above the county level. Through earnestly appraising the papers one by one, 26 units have been evaluated as outstanding; 20 individuals, as first-class prize receivers; 100 individuals, as second-class prize receivers; and 300 individuals, as third-class prize receivers.

During the ceremony, Zhao Zhihao, deputy secretary of the provincial party committee and governor of the province, delivered a speech in which he stated: The education on national defense constitutes an important content of ideological and political work. He urged localities throughout the province to further consolidate and develop the leading body in charge of conducting education on national defense, which is composed of the personnel from the propaganda department, the civil affairs department, the education commission, the people's Armed Forces department, and the PLA units stationed in the province; and to foster a climate in which all social circles are enthusiastically showing concern and supporting the education on national defense. Propaganda departments should regard national defense education as a partial content of the education conducted among the people as a whole and civil affairs departments should integrate national defense education with the work of supporting the Army and giving preferential treatment to servicemen's families. Educational departments should regard the national defense education as a partial content of school courses and the people's Armed Forces departments at all levels should regard national defense education as the duty of their own work. Mass organizations, such as trade union, the Communist Youth League Committee, and women's federation, should realistically do a good job in appraising the achievements scored by their subordinate units in conducting national defense education. Localities should formulate as soon as possible their local regulations in this regard so as to enable the work of conducting national defense education to be carried out in a frequent manner and to be systematized and legalized.

Yan Zhuo, commander of the provincial Military District, presided over the prize-giving ceremony at which, Li Chunting, political commissar of the provincial Military District, delivered a report to introduce the work done in the contest and all winners were conferred with prizes and certificates.

Shanghai's Zhu Promoted; Speaks, Visits Floods

Appointed CPC Secretary

HK0508012889 Hong Kong WEN WEI PO
in Chinese 5 Aug 89 p 1

["Zhu Rongji Concurrently Appointed Secretary of Shanghai Municipal CPC Committee"—WEN WEI PO headline]

[Text] Shanghai, 4 Aug—It has been confirmed here that Zhu Rongji, mayor of Shanghai, has been appointed

concurrent secretary of the Shanghai Municipal CPC Committee. The CPC Central Committee has officially made this appointment.

At the same time, Jiang Zemin has been relieved of all his posts in Shanghai. In addition, Yang Di, deputy secretary of the Shanghai Municipal CPC Committee, has requested the central authorities for permission to resign on grounds of health and age. The CPC Central Committee has agreed to this.

Further on Appointment

HK0608064689 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0758 GMT 5 Aug 89

["Zhu Rongji is Now Secretary of Shanghai Municipal CPC Committee"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 5 Aug (ZHONGGUO TONGXUN SHE)—According to news learned by relevant departments, the Shanghai municipal CPC committee secretary vacancy left by Jiang Zemin after his assumption of the office of general secretary of the CPC Central Committee has been concurrently assumed by current Shanghai Mayor Zhu Rongji.

Zhu Rongji, who is now 60, assumed the office of Shanghai mayor in April 1988. During this period, he left people an impression of handling work efficiently and proficiently and established close ties with the masses. The turbulent situation in Beijing in May and June also produced an impact on Shanghai. At the most critical moment, Zhu Rongji issued a television and radio speech to the whole city and successfully organized worker pickets to maintain a stable situation in Shanghai.

With a population of over 10 million, Shanghai is China's largest city and economic center. The CPC has always attached great importance to Shanghai. The heavy responsibilities of both the party and government will inevitably be a rigorous trial of his energy and wisdom.

Addresses Training Class

OW0408111789 Shanghai JIEFANG RIBAO
in Chinese 23 Jul 89 p 1

[Excerpts] The first training class for leading cadres at the department, commission, district, and county levels to study the documents of the 4th Plenary Session of the 13th CPC Central Committee ended yesterday. The class was jointly conducted by the organization and propaganda departments and the party school of the municipal party committee. Zhu Rongji, deputy secretary of the municipal party committee and mayor of the municipality, and Wu Bangguo, deputy secretary of the municipal party committee, attended and addressed a forum at the new location of the party school, with students of the class participating. [passage omitted]

In his speech at the forum, Comrade Wu Bangguo pointed out: During the turmoil and rebellion, party organizations, members, and cadres were generally good and withstood the test. It should be soberly noted that the seriousness of the turmoil and rebellion in Shanghai and the need and arduous and complex nature of the work to check on and sort things out must be fully understood. In key units in particular, party organizations should devote their main energies to this work. On upholding the four cardinal principles, Comrade Wu Bangguo said: The serious extent to which the ideas of bourgeois liberalization has spread unchecked must not be underestimated. It is necessary to wage a struggle against bourgeois liberalization and to conduct education in this regard for a long time to come. [passage omitted]

After hearing speeches by students of the class for a whole day, Comrade Zhu Rongji made an impromptu speech. [passage omitted]

He set four requirements for them: First, it is necessary to thoroughly do the work of checking on and sorting things out. Leaders at various levels should understand the importance of this work and carry it out as a major task for this year. Leading bodies should be set up to mobilize the masses to carry this struggle through to the end in strict accordance with policy, and this must not be done as a mere formality. Second, it is necessary to efficiently and systematically do several things capable of winning the trust of the people. Now, we should concentrate our forces on cracking down on corruption and bribery and make particular efforts to investigate and deal with major and serious cases. We should further check on, and consolidate, companies and investigate and deal with cases of speculation and profiteering by units. Continuing efforts should be made to improve the party style and keep the Government clean. As long as nearly 2,000 party and government cadres at the bureau level in the municipality act properly, stand firm and upright, and are always proof against corruption, clean government will certainly become the practice in Shanghai. Let us encourage one another in this endeavor. Third, while stabilizing the overall situation, we should do a good job in economic work for the second half of the year. Every possible effort should be made to stabilize the market and to exercise effective price control, and this is a major task bearing on reassuring the people and stabilizing the overall situation. Fourth, cadres at various levels in the municipality should go to the basic level, share weal and woe with the masses, do more practical work capable of forging close ties with the masses, unite them, fully arouse their enthusiasm, strengthen their spirit, and make concerted efforts to surmount difficulties and fulfill in an all-round way the tasks assigned to Shanghai by the party Central Committee and the State Council.

Inspects Storm-hit Areas

OW0508014189 Beijing Television Service
in Mandarin 1000 GMT 4 Aug 89

[From "National News Hookup" program]

[Text] According to the Central Meteorological Observatory, this year's strong tropical cyclone No 13 hit Shanghai this morning. Last night and this morning, Shanghai

and its neighboring areas were hit by winds of force 11 with gusts of force 12. Tides have been very high near the mouth of the Chang Jiang and in Hangzhou Bay. There have been heavy and torrential rains in Shanghai, northern Zhejiang, and southern Jiangsu. The strong tropical cyclone is now weakening and moving in a west north-westerly direction. Heavy or torrential rains are expected in parts of Jiangsu, Anhui, and Henan. It is hoped that the relevant departments in various localities will carry out their work well in fighting the storm and floods and pay attention to weather forecasts by the local meteorological stations.

This year's cyclone No 13 landed at Chuansha County, Shanghai, at 0630 this morning and squarely hit the city of Shanghai. More than 80,000 people in the city have been mobilized to fight the cyclone and floods. So far, there are no reports of casualties or buildings collapsing. Shanghai has scored a preliminary victory in fighting the cyclone and floods.

Cyclone No 13 started to affect Shanghai on the morning of 3 August. At 0300 this morning, the water level of the Huangpu River rose to 5.04 meters, considerably above the warning mark. The water level, the highest since 1912, was 1.54 meters above ground level in the bund area. Mayor Zhu Rongji and others held meetings during the night and at dawn to study measures to combat the storm. They also inspected important sectors on the antistorm front along the Huangpu River such as the Huangpu Park and the Yanan East Road Tunnel to check flood conditions and embankments. They also made arrangements for rescue and relief work.

More than 80,000 people have been mobilized since yesterday afternoon to patrol the 260-km long flood embankment along the river which guards the city against high water. They made crash efforts to strengthen weak sectors of the embankment. The water control gate station under the city's water conservancy bureau implemented a work responsibility system to ensure safety. The storm has not caused any serious losses to the city after it landed this morning. The preparations made ahead of time have ensured safety in the greater Shanghai area and have helped maintain normal operations in industrial and agricultural production. [Video shows map plotting course of tropical cyclone No 13, clips of Shanghai Mayor Zhu Rongji and party inspecting embankment along Huangpu River, workers reinforcing embankment during storm]

Southwest Region

Sichuan College Officials Attend Seminar

HK0508011789 Chengdu Sichuan Provincial Service
in Mandarin 2200 GMT 4 Aug 89

[Text] Some 140 party secretaries and presidents of 63 tertiary education institutes in Sichuan attended a seminar on work in these institutes at the end of July. The meeting discussed questions of studying the documents

of the fourth plenary session, unifying understanding, carrying out investigations and cleaning up in the colleges, improving the building of the party organizations, and promoting ideological and political work. Vice Governor Han Bangyan relayed the important speeches of leading central comrades delivered at the national conference on work in tertiary education institutes. Provincial party committee Secretary Yang Rudai, Governor Zhang Haoruo, and provincial Propaganda Department Director Xu Chuan visited the participants and spoke on relevant issues.

Gu Jinchi, deputy secretary of the provincial party committee, summed up at the conclusion of the meeting. He gave the following views on the main items of work in the colleges at present and for a time to come:

1. Study in depth and appreciate the spirit of the fourth plenary session and unify the understanding of the teachers, students, and staff.
2. Strengthen party leadership over the colleges and adhere to the socialist orientation for running the schools.
3. Seriously carry out investigations and cleaning up.
4. Thoroughly implement the party policy on intellectuals and do a good job in uniting and relying on the teachers and improving their standards.
5. Strengthen and improve ideological and political work in the schools.

Ngapoi Recounts 1951 Negotiations on Tibet

OW0508100989 Beijing XINHUA in English
0737 GMT 5 Aug 89

[Text] Lhasa, August 5 (XINHUA)—Ngapoi Ngawang Jigme, vice-chairman of the Standing Committee of the National People's Congress, disclosed here Friday the details of the negotiations in 1951 between the Beijing central government and the local government of Tibet on measures for the peaceful liberation of Tibet.

Addressing a meeting of the Tibet Autonomous Regional People's Congress and the regional committee of the Chinese People's Political Consultative Conference, Vice-Chairman Ngapoi refuted the notion advocated by a handful of separatists that it was the central government that forced the Tibetan local government to sign the 17-article agreement on peaceful liberation of Tibet and that Tibet was betrayed by Ngapoi and others of his ilk.

Ngapoi said that soon after the founding of the People's Republic of China, Chairman Mao Zedong issued an order on the liberation of Tibet. In October of 1950 the People's Liberation Army (PLA) liberated Qamdo Prefecture in east Tibet. Ngapoi was at the time the head of the local government of Qamdo Prefecture and in charge

of both the political and military affairs of the prefecture. The prefectural government also included 35 other political and military officials.

At that time, various rumours about the PLA spread quickly, causing a panic among the people in Lhasa. However, the Tibetan people in Qamdo really understood the PLA, which was strictly disciplined and never bothered the local people. They helped the local government to set up hospitals and schools, and were warmly welcomed by the local people.

Therefore, the 36 officials of the Qamdo government headed by Ngapoi submitted a report to the local government of Tibet in Lhasa, proposing that the local government negotiate with the central government in Beijing so that Buddhists and the people in Tibet could avoid suffering from the war because it had become certain that the PLA would be able to liberate Tibet.

It took more than two months for Jimzhong Gyaincain Puncog and another person to deliver the letter to the Kasha government in Lhasa, which questioned the two messengers about the situation in Qamdo. By that time the 14th Dalai Lama, who had already been empowered, together with a few officials had already fled to Yadong in south Tibet, but he had left instructions with the government in Lhasa to agree to negotiate with the central government. Meanwhile, he appointed his representatives for the negotiations.

At first, the Dalai Lama put forward the following conditions for the negotiations: Tibet is not a part of China, but is independent and the PLA should not enter Tibet. However, he agreed to establish relations with the central government.

Ngapoi and others held that the central government had always insisted that Tibet was part of China and that the PLA's entry into Tibet had become a certainty. If the local government of Tibet insisted on the conditions put forward by the Dalai Lama, the negotiations would be stalemated.

While he was sending another person to contact the Kasha government in Lhasa, Ngapoi received a cable from the Dalai Lama via the Chinese Embassy in India informing him that the Dalai Lama had agreed to negotiate with the central government and had appointed Ngapoi as the chief delegate of a five-member delegation representing the local government of Tibet.

Ngapoi and two other members of the delegation travelled to Beijing overland while two other members including the Dalai Lama's secretary arrived in Beijing by sea.

The Dalai Lama entrusted two letters to the delegation. In the public one, the Dalai Lama praised the beneficial relations between Tibet and other parts of China and congratulated the Communist Party for establishing the

new country, but did not recognize that Tibet was part of China. In the secret letter, however, the Dalai Lama instructed the delegation to recognize as a last resort that Tibet was part of China. But he still did not agree to allow the PLA to be stationed and guard the borders in Tibet.

During the negotiations, representatives of the central government insisted that since Tibet was part of China, the PLA should be stationed and guard the borders.

Then, the Tibet delegation, using coded messages, contacted the Dalai Lama, who proposed in his reply to redesignate the Tibetan Army as PLA troops to guard the borders and insisted that the PLA not be allowed to be stationed there.

During the negotiations, the five members of the Tibet delegation realized that since the problem of the ownership of Tibet had been solved, it was natural that the PLA should guard the borders. So, they all agreed to the terms put forward by the central government.

Later, Ngapoi noted that the Dalai Lama might go abroad or even live abroad for four or five years just because he did not agree with the 17-article agreement. He proposed that if the Dalai Lama wanted to come back from abroad after he saw the situation in Tibet was good, the central government should allow him to come back and should ensure his former positions and power. The representatives of the central government agreed to the proposal and suggested that it be included in the appendix to the agreement.

The agreement was then signed.

Ngapoi and the other four delegates returned to Lhasa and reported to the officials of the Kasha government the details of the negotiations and the agreement. The local government of Tibet soon recognized the agreement. The Dalai Lama also said that he completely agreed with the agreement and cabled the central government to express his support of the agreement and the entry of the PLA into Tibet.

Tourists Resume Visits to Tibetan Capital *OW0508124989 Beijing XINHUA in English* *1218 GMT 5 Aug 89*

[Text] Lhasa, August 5 (XINHUA)—This capital of the Tibet Autonomous Region has received 13 tourist groups since it resumed receiving foreign tourist groups last June.

Tourism in Lhasa had been suspended since martial law was imposed in Lhasa on March 8 this year following Tibetan separatists' rioting there.

The 185 tourists in the 13 groups came from the United States, Federal Germany, France, the Netherlands, Switzerland, Belgium, Italy and Nepal.

According to the local tourism department, another 27 groups with 364 foreign tourists have been approved by the Tibet regional government to tour Tibet and more tourist groups are waiting for permission.

The regional government now allows foreign tourist groups of at least 10 people to visit Lhasa, but they are required to use designated buses and hotels—for the sake of going through inspection procedures in the area under martial law.

The region has five routes for foreign tourists—from Goldmud in Qinghai Province to Lhasa, from Lhasa via Gyangze and Xigaze to a port on the China-Nepal border, from Lhasa via Xigaze to Shannan, from Lhasa to Mount Qomolangma and from Lhasa to Ngari.

North Region

Beijing's Li Ximing Holds Meeting on Rebellion *SK0408124689 Beijing BEIJING RIBAO* *in Chinese 14 Jul 89 p1*

[Text] On 12 July, the municipal party committee and government held a meeting of principal party and administrative cadres of districts, bureaus, and general companies to draw up plans for thoroughly ferreting out counterrevolutionary ruffians and called for efforts to use facts as the basis and law as the criterion, to exterminate the evil counterrevolutionary ruffians and to leave no future trouble in an effort to further stabilize the situation in the capital.

Li Qiyang, deputy secretary of the municipal party committee, formulated work plans. He stressed that it is necessary to understand the necessity and importance of thoroughly investigating and handling counterrevolutionary ruffians. He said: The arrogance of some counterrevolutionary ruffians has remained aggressive. Some have even continued to fabricate and spread counterrevolutionary rumors to confuse and poison people's minds. Some have continued to secretly establish ties in a vain attempt to put up a desperate struggle and to wait for an opportunity to stage a comeback. Many plotters and organizers of the counterrevolutionary rebellion, ring-leaders of some illegal organizations, and counterrevolutionary ruffians who engaged in beating, smashing, looting, burning, and killing have not been captured. Therefore, thoroughly ferreting out counterrevolutionary ruffians has a vital bearing on the life and death of the party and the country, the social stability, and the fundamental interests of the people.

While touching on the guiding ideology of this investigation work, Li Qiyang said: We must exterminate the evil and leave no future trouble. It is necessary to strictly distinguish between the contradictions of two different natures, try our utmost to unite with all the people that can be united, save all people that can be saved, and isolate and attack the most stubborn enemies.

Li Qiyang said: We must thoroughly dig out and punish in line with the law all counterrevolutionary ruffians, whether they be on or behind the stage or not, whether they be counterrevolutionary ruffians who engaged in beating, smashing, looting, burning, and killing or not, whether they be persons who plotted, organized, and instigated rebellion or not, whether they be in or outside the party, and whether they be social figures or persons of certain units. In the course of struggle, we must conscientiously grasp policies, uphold the principle of giving lenient treatment to those who confess their crimes frankly and strict punishment to those who refuse to do so, persist in using facts as the basis and law as the criterion, enforce law in a civilized manner, and refrain from obtaining confessions by compulsion and giving them credence.

Li Ximing, secretary of the municipal party committee, gave an important speech at the meeting. He stressed: To do a good job in the investigation work and to carry out this political struggle through to the end, we must conscientiously organize cadres and the masses to study the documents of the fourth plenary session, and enable cadres at all levels and the broad masses of people to enhance their ideological understanding, clearly distinguish between right and wrong, adhere to the four cardinal principles, and actively and consciously participate in the struggle. We should purposefully conduct propaganda and educational work and eliminate all ideological misgivings and confused understanding of the masses.

Li Ximing pointed out: All hostile forces and persons who stubbornly stuck to a bourgeois liberalization stand will not resign themselves to defeat and will not easily forsake their aim. They will resort to all forms and methods and all means to interfere with and sabotage our investigation work. Cadres at all levels and the broad masses of people should be fully mentally-prepared and should have firm confidence in eliminating all sorts of interference and resistance and in carrying out this struggle through to the end.

Li Ximing particularly stressed: We must not work perfunctorily in this struggle to ferret out counterrevolutionary ruffians. In order not to go through the motions, we must clearly understand the arduousness and complexity of this struggle, act resolutely in line with the instructions of the party Central Committee and the policies of the party, manage things strictly in line with law and legal procedures, and realistically attain the goal of using facts as the basis and law as the criterion, exterminating the evil and leaving no future trouble.

Li Ximing said: It is necessary to consider this struggle as a process of conducting education on adhering to the four cardinal principles, on socialist democracy, and on the legal system among the masses. This turmoil and rebellion were not only aimed at overthrowing the Communist Party, socialism, and our Republic but were also aimed at seriously undermining socialist democracy and

the legal system. To do a good job in investigation, we must use our concrete deeds to safeguard the four cardinal principles and the sanctity of socialist democracy and the legal system.

The meeting was presided over by Chen Xitong, deputy secretary of the municipal party committee and mayor of the municipality. He stressed that the work of thoroughly ferreting out counterrevolutionary ruffians is the top priority of the four important tasks put forward at the fourth plenary session, and that efforts should be made to realistically grasp it well.

The meeting announced the formal establishment of the Beijing municipal leading work in charge of thoroughly ferreting out counterrevolutionary ruffians. Among the municipal leaders attending the meeting were Wang Xian, Zhao Pengfei, Meng Zhiyuan, Chen Guangwen, and Su Zhongxiang, Zhou Wenxuan, vice chairman of the General Political Department of the Chinese People's Liberation Army [PLA], and Xu Shouzeng, vice chairman of the Political Department of the Beijing Military Region.

Beijing Tourism Industry Discusses Recovery

HK0508050289 *Beijing CHINA DAILY*
in English 5 Aug 89 p 5

[Text] Over 1,000 executives from 400 tourist hotels, restaurants, travel agencies, department stores, taxi companies, scenic spots and tourism-related enterprises based in Beijing met last week to discuss restoring the city's tourism industry.

The meeting was one in a series of efforts to encourage people working in the tourist industry to recapture heavy losses suffered since May when the capital was involved in massive student riots.

Bo Xicheng, head of the Beijing Tourism Bureau (BTB), and speakers representing the Xiyuan Hotel, the China Travel Service and the Friendship Store spoke at the meeting.

According to Bo, Beijing's tourism industry was profitable in the first four months this year. From January through April, the city received about 300,000 overseas visitors, which is 6.4 percent more than the same period last year. Tourist income during that time totalled \$173 million, a 1.8 percent increase.

But since May, the tourism situation has changed because of the rebellion in Beijing. On June 10, the decline reached its severest point. The average occupancy rate of tourist hotels in Beijing was lower than 20 percent; the daily number of total overseas visitors to Beijing was less than 1,000. Tourist restaurants, shops, taxi companies and parks also suffered great economic losses, he said.

The official added that tourism was the first industry damaged during the recent months and the most difficult to restore. However, the difficulty is only temporary and the 100,000 people working in the tourism business in Beijing will work hard to minimize the losses.

He praised the managers of many tourist organizations who accepted reduced wages rather than lay off workers. Vacancies left by foreign managers will be filled by local personnel. One way to lure tourists back is to try new methods to reach them. Bo said that Beijing is a special place in China and many overseas tourists will come again through greater efforts to communicate with them.

This idea has already had some success. After attending the Beijing Tourism Seminar earlier last month, an American travel agent is arranging a Beijing tour for more than 100 people on August 10. The tour is named "See Tiananmen Square with your own eyes".

Another major endeavour to recover business is to attract domestic tourists. A daily revenue of over 10,000 yuan (\$2,700) was reported at the Yanjing Hotel which opened a night market for local consumers. The Xiyuan Hotel and the Friendship Store have also turned to domestic consumers to increase business.

Local tourism officials said that at present they face four tasks:

- Study the guidelines of the 4th plenary [as published] of the Party and train tourism personnel during the slack period;
- Examine the work of managers of all major tourist hotels and travel agencies engaging in entertaining international visitors.
- Check and crack down on illegal activities. Anyone who receives a commission, tip, or anyone engaging in illegal transactions involving foreign exchange or over-charging on taxi fares will be sacked and his name circulated to other travel organizations to keep him out of the industry for good.
- Republish special crime and complaint phone numbers, mail boxes and questionnaires for tourists. Through these efforts, tourism authorities can strictly limit any illegal conduct.

The Beijing Tourism Bureau would also like to see a consolidation of tour enterprises in Beijing claiming that chaotic conditions have hurt the city's image as a tourist spot. One of the first steps would be to trim the number of travel agencies.

Officials said there are now 79 grade A and B travel agencies that cater to international tourists, and the managers of some of these agencies know little about rules and regulations but compete mainly by cutting prices. These agencies lack proper managers and tourist

guides and have hired people sacked by other agencies. This has led to illegal foreign exchange transactions and requests for tips and commissions.

Reportage on Activities of Inner Mongolia's Wang

Attends Education Conference

SK0408123589 Hohhot Inner Mongolia Regional Service in Mandarin 1030 GMT 30 Jul 89

[Excerpt] From 26 to 29 July, the regional party committee and the regional government cosponsored the regional work conference of institutions of higher learning to further deepen the study of the documents adopted at the 4th plenary session of the 13th party Central Committee, to conscientiously implement the guidelines of the national work conference of institutions of higher learning, and to study and work out the arrangements for the work of institutions of higher learning at present and in the foreseeable future.

During the conference, Wang Qun, Bu He, Zhang Dinghua, Qian Fenyong, and Zhao Zhihong, leading comrades of the regional party committee and the regional government, held talks with the leading comrades of institutions of higher learning participating in the conference.

Leading comrades, including Wang Qun, made speeches during the talks.

Comrade Wang Qun said: In regard to the work of institutions of higher learning, we should strengthen the leadership of the party, persist in the socialist educational orientation, and set up a solid front of cultivating skilled personnel competent for socialist construction. We should have a clear-cut stand to oppose bourgeois liberalization, justly and forcefully adhere to the four cardinal principles, and strengthen ideological and political education among young students.

He said: At present, we should conscientiously and realistically organize students to implement the guidelines of the fourth plenary session, Comrade Deng Xiaoping's important speeches, and the guidelines of the national work conference of institutions of higher learning. In line with the actual conditions of Inner Mongolia and all institutions of higher learning, we should implement these guidelines one after another. Institutions of higher learning should unite students and their teaching and administrative staff in line with the guidelines of the fourth plenary session, correctly understand the great significance of ending the disturbances and putting down counterrevolutionary rebellion and the seriousness of advocating bourgeois liberalization and overturning the leadership of the CPC and the socialist system, clearly understand the essence of the serious political struggle and the necessity of the party and the government's measures for ending the disturbances and putting down the counterrevolutionary rebellion.

Wang Qun said: Studying and implementing the guidelines of the fourth plenary session is a task of primary importance for the whole party and the whole nation as well as a long-term strategic work task for institutions of higher learning. Thus, all schools should make good preparations for implementing the guidelines before the new term begins, and should concentrate a period of time to study the guidelines after the schools' opening. Implementing the guidelines of the fourth plenary session and the national work conference of institutions of higher learning is not a short-term task but should be included in the regular studying work. We should persist in accurate educational principles and an accurate orientation of how to run schools.

Wang Qun said: The practices of the struggle showed that the ranks of party members and teachers of the region's institutions of higher learning are generally reliable forces. We must rely on these forces to attend to the work of institutions of higher learning and to cultivate groups of skilled personnel competent for socialist construction and rejuvenating Inner Mongolia.

He earnestly hoped that the comrades on the front of institutions of higher learning will firmly adhere to the four cardinal principles and persist in reforms and the opening to the outside world in the current great, earth-shaking struggle. Teachers should transform their outlook on both subjective and objective worlds. While improving the macro-environment, all schools and units should first improve their micro-environments. At the time of strengthening political and ideological work, institutions of higher learning should pay attention to both imparting knowledge and educating people, and continuously conduct the education on ardently loving the party, socialism, and the people and the education on the party's policies on nationalities among young students. [passage omitted]

Visits Scientific Association Session

SK0408123689 Hohhot Inner Mongolia Regional
Service in Mandarin 1030 GMT 29 Jul 89

[Text] The 3-day Third Plenary Session of the Second Committee of the Inner Mongolia Scientific and Technological Association, which mainly discussed ways to study and implement the guidelines of the 4th plenary session of the 13th party Central Committee and to implement the basic tentative reform plans of the Scientific and Technological Association of China, ended in Hohhot this afternoon.

Leading comrades of the regional party and government organs, including Wang Qun, Bu He, Zhang Dinghua, and Sha Tuo, attended the plenary session in the afternoon. Wang Qun, Bu He, and Sha Tuo gave speeches at the session.

In his speech, Wang Qun said: The central topic for discussion at the session is to implement the guidelines of the 4th plenary session of the 13th party Central

Committee. I sincerely hope that the Scientific and Technological Association will better display a role in linking the party and government with scientific and technical workers, use the guidelines of the fourth plenary session and Comrade Deng Xiaoping's speeches as the guiding principles to unite with and mobilize the broad masses of scientific, technical, and educational workers to participate in reform, and exert efforts to invigorate Inner Mongolia and its modernization construction.

In his speech, Bu He mainly touched on the following five issues:

First, we should painstakingly study Marxism and Leninism at any time, maintain a firm political stand, oppose bourgeois liberalization, and enhance our ideological awareness.

Second, we should create a good work environment and let all people work in a every happy atmosphere.

Third, we should promote the spirit of plain living and devotion, maintain close ties with the masses, and contribute to all construction undertakings in Inner Mongolia Region.

Fourth, we should proceed from the region's actual situation while making plans and selections for scientific research items, strive to do a good job in popularizing science and making selections and make science and technology rapidly yield good results and serve economic construction.

At the end of his speech, he pointed out: Our party's general line, principles and policies as well as the party's policy towards intellectuals have remained unchanged. We should continue to implement all policies well, respect knowledge and trained personnel, display the role of intellectuals, and care for them in terms of politics and their livelihood.

At this plenary session, the committee members also discussed and adopted a work report delivered by Xu Lingren, on behalf of the Standing Committee of the Scientific and Technological Association, entitled "Conscientiously study and implement the guidelines of the 4th Plenary Session of the 13th party Central Committee and further promote the reform work of the Scientific and Technological Association.

The session also adopted a letter of proposal of the Third Plenary Session of the Second Committee of the Inner Mongolia Scientific and Technological Association, which called on the scientific and technical workers throughout the region to deeply study and implement the guidelines of the fourth plenary session.

The session called on the scientific and technological associations and societies at all levels throughout the region and the scientific and technical workers of various

nationalities to further enhance spirit, rally more closely around the party Central Committee, promote the spirit of self-reliance and plain living under the inspiration of the guidelines of the fourth plenary session, work with one heart and one mind, overcome all difficulties, and unceasingly advance our country's socialist modernization construction cause.

Affirms Forest Zone's Work

SK0408125089 Hohhot Inner Mongolia Regional Service in Mandarin 1030 GMT 28 Jul 89

[Text] During the disturbances, the staff and workers of Inner Mongolia's Daxinganling forest zone maintained a unity of thinking and ensured a stable production, and the ranks of staff and workers were united thanks to the efforts made by the party committees at various levels under the forest zone to unswervingly attend to the ideological and political work. Its economic results scored in the first half of this year were higher than those in the corresponding period of last year. Its profits increased by 17.4 percent.

After carrying out the plant director responsibility system, the enterprises under the forest zone enabled both plant directors and party committees to attend to ideological and political work. Party committees play a key role in conducting enterprises' ideological and political work. Thus, the enforcement of the party and state policies, laws, and decrees has been ensured. In regard to balancing the relationship between the party, the administration, and trade unions, the party committees at various levels under the forest zone have repeatedly placed emphasis on the new-type cooperation ties between party committee secretaries and plant directors and stressed that neither of them is superior to the other. But, party committee secretaries and plant directors should jointly be responsible to the party and the nation, and make concerted efforts to attend to the enterprises' spiritual and material civilizations. To conscientiously strengthen enterprises' ideological and political work, the party committees from higher to lower levels in the forest zone have stabilized the ranks of political work cadres who basically suit the needs of practical work, cultivated, in a well-planned and well-organized manner, and political work cadres to ceaselessly upgrade their political awareness. Meanwhile, the forest zone also conducted the regular education on Marxism and the education on having ideals, morality, knowledge, and a sense of discipline among the masses; and carried out the spirit of being the people of Daxinganling—an enterprising spirit of arduous struggle and selfless contribution. With such a spirit, the broad masses of the staff and workers in the forest zone conquered the catastrophic fire and floods and withstood the test of the serious stormy political struggle.

Wang Qun, secretary of the regional party committee, highly affirmed the forest zone's practice of unswervingly attending to ideological and political work during his recent visit to the zone.

Article on Party Building

SK0408131089 Hohhot Inner Mongolia Regional Service in Mandarin 1030 GMT 2 Aug 89

[Text] NEIMENGGU RIBAO today frontpaged an article by Wang Qun, secretary of the autonomous regional party committee, entitled "Summarize the Past, Consider the Future, and Conscientiously Make a Success of Party Building." The article expounds ways to make a success of party building in five aspects.

First, it is necessary to conscientiously strengthen party building and never weaken or give it up. The CPC is the core of leadership over China's socialist cause. Such a position of the party is established by history and also a historical selection of the Chinese people. Faced with the arduous task of leading the 1.1 billion people in carrying out the socialist four modernizations, reform, and opening up, the party should become a strong fighting bastion and stand firmly on its position as the core of leadership over China's socialist cause. However, for some time, the party weakened its leadership over various fields, and many confused ideas concerning party building also emerged in society. Some people set party building against development of democracy and improvement of the legal system. Others even set strengthening of party building against mind emancipation, reform, and opening up. This not only confused the people's ideas, encouraged erroneous feelings, and seriously weakened the party's combat strength but also enabled the reactionary arrogance of the hostile forces at home and abroad to become even more rampant. Such facts, which draw our attention and are profoundly affecting, tell us that we should never shake the party's position as a ruling party, weaken the party's strong leadership, nor slacken efforts in party building at any time and under any circumstances.

Second, it is necessary to unswervingly uphold Marxism-Leninism-Mao Zedong Thought, which is the theoretical foundation guiding our thinking, regard it as the basic education of the party, pay close attention to it, and conduct it successfully. China's history in the past century and more proved that except for Marxism-Leninism-Mao Zedong Thought, no doctrine whatsoever could save China. Only by upholding Marxism-Leninism-Mao Zedong Thought can the ideological trend of bourgeois liberalization and the corrosion of erroneous ideas of various descriptions be effectively resisted, can the party's nature as a proletarian vanguard be maintained, and can the socialist orientation of reform and opening up be guaranteed. Therefore, we should take the education on Marxism-Leninism-Mao Zedong Thought as the central link of the party's ideological education and carry it out persistently.

Third, it is necessary to steadfastly uphold the purpose of serving the people wholeheartedly and always maintain the close ties of the party with the masses. This is where the strength of our party lies and the basic guarantee for the success of our party. In Inner Mongolia's current endeavor to penalize corruption, we should focus on the

cases that the masses are most concerned about, conscientiously and resolutely investigate and handle them, and make them public. Only by so doing can we win the trust of the masses, and enable them to truly feel that our Communist Party is wholehearted in serving the people, truly opposed to corruption, as good as its words, and capable of solving the problem of corruption.

Fourth, it is necessary to strictly enforce the party's organizational discipline and safeguard its unity and solidarity. From the struggle to curb the turmoil and suppress the rebellion, we can gain at least the following three enlightenments. 1) We should quickly place rectification of the party's discipline high in its agenda and conscientiously intensify party members' education on discipline to raise their awareness in enforcing party discipline. 2) We should conscientiously carry out the party's principle of democratic centralism, resolutely safeguard its unity and solidarity. 3) We should firmly safeguard the authority of the party Central Committee. The key of the four subordinations as stipulated in our party discipline is the subordination of the entire party to the party Central Committee. Party organizations at various levels and all Communist Party members should maintain a high degree of unity with the party Central Committee ideologically, politically, and organizationally, and firmly safeguard the leadership authority of the party Central Committee. This is where the party's greatest interest lies. All people within the party should not have any confused idea concerning this important issue of principle.

Fifth, it is necessary to be vigilant and guard against the interference of numerous erroneous ideas and actively carry out the party's ideological struggle.

In conclusion, the article points out: As long as we conscientiously summarize historical experiences, strengthen party building, unite closely round the party Central Committee, brave our way forward with one heart and one mind, and maintain plain living and hard struggle, no difficulty can stop our steps of successful progress.

Inner Mongolia Plans Economic Zone in Baotou
SK0408130589 Hohhot Inner Mongolia Regional
Service in Mandarin 1030 GMT 3 Aug 89

[Text] With the approval of the autonomous regional authorities, the city of Baotou will build an economic development zone on the some dozen square-km land in its southern suburb, which will open to all outside provinces and cities or foreign businessmen and firms and will provide land for them to open various enterprises chiefly in charge of the production of energy resources and raw materials to promote the economic development of the city.

The southern-suburb development zone is the original industrial base covered by the city's urban construction plan and has the natural strong points of developing energy resources and raw materials. It is 7 km apart from

the Huang He and is a rail traffic hub between Baotou and Beijing, Baotou and Lanzhou, and Baotou and Shennu. It is a rare and important industrial base which has occupied no farmland. In mentioning the economic development zone, the city's responsible comrade stressed that it will turn to be an economic development zone, which will be opened to the outside world, will develop the export-oriented economy, will enforce the policy of preferential treatment, will provide a good climate for investment, will try to introduce outside funds as soon as possible, and formulate the system of carrying out construction and development independently. The development zone is allowed to have multiple ownerships and business and managerial styles and to carry out its management in line with the international practice.

At present, the city has begun its preparatory work of building the zone and is welcoming all domestic and foreign friends to give full play to their talent in the city and to make contributions to the city's development.

Inner Mongolia Commentary on Class Struggle
SK0408124189 Hohhot Inner Mongolia Regional
Service in Mandarin 1030 GMT 31 Jul 89

[Station commentator's article: "Never Lose the Concept of Class Struggle"]

[Text] The struggle to suppress Beijing's counterrevolutionary rebellion reminds us that class struggle still exists within a certain scope in the new historical conditions, and sometimes will even become very intense and profoundly affecting. This is an objective existence independent of the will of all good and honest people. Therefore, to foster the necessary concept of class struggle, and the concept of distinction between ourselves and the enemy is the key to correctly handling the two different kinds of contradictions.

After the 3d plenary session of the 11th party Central Committee, we shifted our work focus to economic construction and never took class struggle as the key link. This no doubt was correct and conformed to the objective reality in the initial stage of socialism. However, the shift of the work focus never meant that class struggle would disappear afterwards and the world would be full of love. Reactionary forces at home and abroad are bent on subjugating our country, and class struggle is inevitable in class society. One class is bound to struggle against the other, and class struggle will not disappear by itself. As soon as they seize the opportunity, reactionary forces at home and abroad will emerge, and vary their tactics to create rumors, provoke incidents, and produce turmoil to see the socialist world plunged into chaos. Intertwined with a great number of contradictions among the people, their activities are complicated. Therefore, we should learn to observe and handle, with a class viewpoint, the social contradictions and social phenomena that possess the nature of class struggle. We should learn to use the people's democratic dictatorship—a powerful weapon—to wage of our own

accord the class struggle economically, politically, and ideologically against numerous hostile elements, and gradually eliminate the soil and the conditions on which they breed, weaken their forces and narrow the spheres where they carry out their activities. Only in this way can we ultimately make class struggle step down from the stage of history. On the contrary, if we lose the concept of class struggle, give up the powerful weapon of class analysis and the people's democratic dictatorship, and allow the class enemy to stir up trouble, class struggle will become more acute under certain conditions instead of being alleviated, and will even endanger the destiny of our party and state. Our stressing the need to foster the concept of class struggle and the concept of distinction between ourselves and the enemy never means to once again take class struggle as the key link. We should note that the contradictions existing and emerging in great numbers in the initial stage of socialism are those among the people. These contradictions express themselves in numerous forms and are very complicated. How to handle and properly resolve the contradictions among the people is an important task in the initial stage of socialism. Practice after the 3d plenary session of the 11th party Central Committee proved that reform is the general key to resolving these contradictions. Meanwhile, with the deepening of reform, some new conditions, new problems and new contradictions will emerge. Instead of avoiding and taking a dilatory attitude toward these new conditions, new problems and new contradictions, we should actively and correctly handle and resolve them. We should never lower our guard just because they are contradictions among the people. We should clearly understand that the contradictions among the people will be turned into the contradictions between ourselves and the enemy under certain conditions if they are not guided in a timely manner and resolved properly. This is what we do not like to see most.

What merits our attention, we stopped using the slogan of taking class struggle as the key link for some time and neglected the possible hidden rightist influence of the theory of the dying out of class struggle when we exposed and criticized the magnification of class struggle. When one grasped class struggle, others would give a snort of contempt and say that this was leftist stuff. Also, there were people who dared not talk about class struggle and turned a blind eye to the objective existence of class struggle. This led to weakening of the idea of class struggle, negligence of the function of the people's democratic dictatorship, negligence of the struggle between the two orientations and between the two lines in the process of reform and opening up, and separation of adherence to the four cardinal principles from reform and opening up and conflict between them. This is a lesson we should draw. At present, we should particularly guard against and overcome such an erroneous ideological trend and never lose the concept of class struggle. Only in this way can we correctly handle the two different kinds of contradictions and guard against and overcome vacillation now to the left, and now to the right.

Tianjin Urges Economic Criminals To Confess
OW0708023689 Beijing XINHUA in English
0150 GMT 7 Aug 89

[Text] Tianjin, August 7 (XINHUA)—The Tianjin People's Procuratorate and the Tianjin Higher People's Court jointly issued an announcement yesterday urging those who have violated laws such as those against corruption and bribery to confess their crimes before the end of September.

This is one of the important efforts made by the city government to curb corruption and bribery, a senior government official said.

The city government has decided to launch a campaign to educate cadres working at county-level and department-level organs or units about anti-corruption and anti-bribery measures over the next two months.

Last year, the city carried out a very successful movement to crack down on theft and over 1,000 thieves surrendered themselves to the police and gave up ill-gotten gains.

People here hope that the city government will be tough this time as well. The announcement stipulated that leniency will be shown to those who confess their crimes, and those who refuse will be strictly dealt with.

People in Tianjin have a tradition of reporting offences to the authorities for the good of the general public. Since last August when the first accusation center was set up in the city 6,445 cases have been reported, among which 3,076 have provided clues which helped to solve cases.

In order to encourage people to report offences to the authorities, the Tianjin People's Procuratorate and the Tianjin Higher People's Court have decided to give rewards to those who report offences to the authorities.

Northeast Region

Heilongjiang's Sun Inspects Daqing's Party Work
SK0408124589 Harbin Heilongjiang Provincial Service
in Mandarin 2100 GMT 1 Aug 89

[Text] In late July, Sun Weiben, secretary of the provincial party committee, made an inspection tour in the city of Daqing to learn about the city's work situation after the on-the-spot official meeting sponsored by the provincial party committee.

During his inspection tour, he carried out investigation at all levels in the city over the ideological and political work and over the party building and pointed out that Daqing City had successfully gained the experience in this regard and that we should earnestly summarize and popularize its experience. He contended that the experience gained by the city includes the principle of persistently putting the ideological and political work on a due

position on the one hand and persistently placing the core of ideological and political work on upgrading human quality on the other hand. The ideological and political work conducted by Daqing City includes the following two aspects: One is to respect and trust human beings and to show concern for the work related to human beings, which mean that we should conduct day-to-day ideological education and guidance work among the masses on a large scale and in an extensive manner; pay attention to building a good living environment, healthy cultural environment, and stable social climate; and should strengthen the attraction and cohesion of ideological and political work so as to enable staff members, workers, and the mass to actively accept the molding and training of ideology and sentiment. The other is to fundamentally upgrade human quality so as to enable these staff members, workers, and the mass to foster their ideological consciousness, moral sentiment, and cultural accomplishment by accepting the systematic inculcation of Marxism and Leninism and the systematic education on culture, technologies, and professional knowledge.

Jilin's He Visits Flood-Prevention Headquarters
SK0408130089 Changchun Jilin Provincial Service
in Mandarin 2100 GMT 3 Aug 89

[Summary from poor reception] "On 3 August, leading personnel of the provincial party committee and the provincial people's government" visited the work personnel of the provincial flood-prevention headquarters. "During their visit, they fully acknowledged the achievements scored in combating the flood and rushing to deal with the emergency in the former period and urged the people throughout the province to continuously make efforts to win an overall victory in combating the flood and rushing to deal with the emergency."

"At 1030 that day, leading comrades, including He Zhukang, secretary of the provincial party committee; Wang Zhongyu, governor of the province; Hui Liangyu, vice governor of the province; and (Zhang Huofen), deputy secretary general, came to the provincial flood-prevention headquarters to extend words of comfort to the work personnel who were involved in the operation."

"During their visit, Comrade Wang Zhongyu stated: The flooding has imposed a test on the leading personnel at all levels and the people throughout the province. The contingent of staff members and workers on the water resources front, who have a high cultural quality and are displaying fine workstyle, has done a good job in grasping the work. Public security personnel have gone deep into the forefront of combating the flood and ensured the stability of social peace. Departments under the governments have closely coordinated with each other and made early and sufficient preparations for material supply. A good job has also been done in conducting the public health work, which has effectively prevented diseases."

"During their visit, leading comrades from the provincial level organs together with the responsible comrades of the provincial water resources department and the work personnel of the flood-prevention headquarters viewed the videotape of the meteorological situation. These leading comrades also stressed that a good job should be done in fully making preparations for combating the flooding peak along the Nenjiang river and winning an overall victory in combating the flood and rushing to deal with the emergency."

Liaoning's Quan Reports at Party Session
SK0308074589 Shenyang LIAONING RIBAO
in Chinese 5 Jul 89 pp 1,2

[Report given by Comrade Quan Shuren, secretary of the provincial party committee, at the 8th Plenary Session of the 6th Liaoning Provincial CPC Committee on 29 June: "Rally Closely Around the Party Central Committee and Struggle To Implement the Guidelines of the 4th Plenary Session of the 13th Party Central Committee"]

[Text] Comrades:

This plenary session is mainly aimed at studying and implementing the guidelines of the 4th plenary session of the 13th party Central Committee, using the resolutions of the plenary session and Comrade Deng Xiaoping's important speeches to unify thinking, and mobilizing the party members, cadres, and the masses throughout the province to rally closely around the party Central Committee, to make continued efforts to resolutely implement the line, principles, and policies defined since the 3d plenary session of the 13th party Central Committee, and the basic line consisting of "one focus and two basic points" defined by the 13th party congress, to realistically grasp the four important tasks put forward by the 4th plenary session, to further stabilize the situation in Liaoning and to strive to successfully carry out all fields of work. On behalf of the Standing Committee of the provincial party committee, I now submit a report to the plenary session for discussion by all comrades.

1. Conscientiously Study and Deeply Understand the Guidelines of the Fourth Plenary Session

The 4th plenary session of the 13th party Central Committee was held at a time when a decisive victory was achieved in quelling the counterrevolutionary rebellion in Beijing. It was a very important meeting in our party history. The plenary session correctly analyzed the country's political situation in the past 2 months or longer, deeply pointed out the nature of this struggle which developed from a student unrest into a political turmoil and then into a counterrevolutionary rebellion, fully affirmed that the policy decisions and a series of resolute measures adopted by the party Central Committee and the State Council during this serious struggle were absolutely correct, and highly appraised the tremendous contributions made by the Chinese People's Liberation Army [PLA], the Armed Police Force, and the public

security cadres and police during the suppression of the counterrevolutionary rebellion in Beijing. The plenary session discussed and adopted a report given by Comrade Li Peng on behalf of the Political Bureau of the party Central Committee on "Comrade Zhao Ziyang's mistakes in the antiparty and antisocialism turmoil," made partial adjustments in the party's central leadership, and put forward the four important tasks which the whole party and the people throughout the country must grasp well at present. We resolutely support all resolutions adopted at the fourth plenary session and the decision to dismiss Comrade Zhao Ziyang from his posts as general secretary of the Central Committee, member of the Standing Committee of the Political Bureau of the Central Committee, member of the Central Committee, and first vice chairman of the Military Commission of the CPC Central Committee and the decision on looking further into his case. We also support the plenary session's adjustments in the Standing Committee of the Political Bureau of the party Central Committee and in the members of the Secretariat of the party Central Committee. We support Comrade Jiang Zemin to assume the post as general secretary of the party Central Committee. We have decided to rally closely around the party Central Committee, overcome all difficulties in our road of advance, strive to fulfill all tasks proposed by the plenary session, and advance our province's socialist modernization construction and reform undertakings.

The convocation of the fourth plenary session indicated that we achieved a decisive victory in quelling the counterrevolutionary rebellion. During the past 2 months, a handful of persons took advantage of the student unrest to stir up a planned, well-organized, and premeditated political turmoil, and then developed it into a counterrevolutionary rebellion in Beijing. Their criminal aim was to overthrow the CPC and to subvert the socialist PRC, and to build a bourgeois republic entirely dependent on the West. One of the reasons for this antiparty and antisocialism turmoil to become increasingly acute was that there was a problem in the party. As general secretary of the party, Comrade Zhao Ziyang committed a serious mistake in supporting the turmoil and splitting the party. During the soul-stirring struggle which involved the future and destiny of the party and the country, the party Central Committee resolutely resisted and overcame Comrade Zhao Ziyang's mistakes and succeeded in saving the party and the country. The fourth plenary session organizationally handled Comrade Zhao Ziyang's problem in good time, consolidated the party's leadership, and safeguarded the unity of the party and the unity between the party and the people. This fully manifested that our party has fighting strength and is capable of standing all sorts of arduous and complicated struggles and tests.

The fourth plenary session of the party Central Committee made necessary adjustments of some members of the leading organs of the Central Committee, and established a new collective of leadership of the party Central Committee headed by Comrade Jiang Zemin. Our party

and our state have bright prospects and are full of promise. What should be particularly pointed out is that proletarian revolutionaries of the older generation with Comrade Deng Xiaoping as their representative not only stepped forward bravely to turn the tide at the crucial historical moment, and enabled the party Central Committee and the State Council to make the correct decision to curb the turmoil and suppress the counterrevolutionary rebellion, but also played an important role in establishing the third-generation collective of leadership of the party Central Committee. We extend our heartfelt respect to their broad vision and their noble spirit of loyalty to the communist cause.

The fourth plenary session of the party Central Committee stressed the continuous and resolute implementation of the line, principles, and policies laid down since the 3d plenary session of the 11th party Central Committee, and the basic line consisting of "one central task and two basic points" decided at the 13th party congress. It unanimously held that "we should continue, persist in implementing our set basic line, principles, and policies," and that "there should be no change in the basic line or basic policy," just as Comrade Deng Xiaoping clearly pointed out in his important speech given at the meeting with cadres at and above the Army level of the martial law troops in the capital. At the session, Comrade Jiang Zemin also pointed out that we should implement them firmly, unswervingly, comprehensively, and consistently. This indicated an orientation for the healthy development of socialist modernization. We should unswervingly and conscientiously carry them out in line with the guidelines of Comrade Deng Xiaoping's speech and the demands set at the fourth plenary session of the party Central Committee.

Comrade Deng Xiaoping's recent eight important speeches are programmatic documents for us to review the past, consider the future, unify the thinking of the entire party, and successfully carry out future work. Regarding Comrade Xiaoping's speeches as the key to mastering the guidelines of the fourth plenary session of the party Central Committee, we should conscientiously study them, and profoundly understand them. This is crucial to our implementation of the guidelines of the fourth plenary session of the party Central Committee.

We should enhance our understanding of the nature, inevitability, and seriousness of the struggle. There were a profound international background and domestic social foundation for the occurrence and development of the turmoil and the counterrevolutionary rebellion. Just as Comrade Xiaoping pointed out: "This storm was bound to happen sooner or later. As determined by the international and domestic climate, it was bound to happen and was independent of man's will." Judging from the international situation, some major capitalist countries tided over the crisis emerging after World War II, and achieved development again. Their anticommunist and antisocialist activities were also developing. They stepped up ideological and political infiltrations

into socialist countries through various measures and channels in an attempt to shake the socialist front, and realize their conspiracy of peaceful evolution. Meanwhile, due to numerous reasons, some socialist countries failed to consistently develop the superiority that the socialist system originally possesses. Such ideological trends as "socialism being inferior to capitalism," implementation of pluralistic politics, and enforcement of the multiparty system, which had taken shape because of this, created a strong impact on our country. Judging from the domestic situation, the principle of opposing bourgeois liberalization was not conscientiously implemented for many years. After Comrade Zhao Ziyang took charge of the central work, he tolerated and connived at people who stubbornly insisted in the stand of bourgeois liberalization, enabling the ideological trend of bourgeois liberalization to develop continuously, and then become rampant. The international and domestic climate decided the inevitability of this storm.

Had the conspiracy of the extremely small number of persons succeeded, the People's Republic of China with the lives of tens of millions of martyrs would have been destroyed in a moment, and the achievements in the 10-year reform and construction would have been completely lost. Therefore, the struggle was a serious political struggle concerning the life and death of the party and the state. When studying the implementation of the guidelines of the plenary session, we should draw clear distinctions concerning cardinal issues of right and wrong, profoundly understand the nature, roots, and inevitability of the struggle, and clearly understand the serious danger created by the counterrevolutionary rebellion. Only in this way can we unfailingly maintain a high degree of unity with party Central Committee politically.

We should enhance our understanding of the extreme importance of comprehensive implementation of the party's basic line consisting of "one central task and two basic points." Adherence to the four cardinal principles is the foundation for us to build the country, and adherence to reform and opening up is the road leading to strength and prosperity of the country. The relationship between these two basic points is one of mutual complement, mutual guarantee, and dialectical unity. We should not pay attention to one to the neglect of the other. We should persistently give equal importance to them, and achieve unity of them in the process of practice. We should understand that what we are developing is the socialist modernization—modernization developed on the premise that the four cardinal principles are upheld. Deviated from the four cardinal principles, our socialism will be led to the capitalist road. When implementing the party's basic line, we should oppose not only ossified ideas and dogmatism but also bourgeois liberalization. After taking charge of the central work, however, Comrade Zhao Ziyang separated reform and opening up from the four cardinal principles, set them against each other, neglected party building, the building of the spiritual civilization, and ideological and political work to a serious extent, took a passive

approach toward the principle of opposing bourgeois liberalization, instigated and supported bourgeois liberalization, and let the people who flaunted the banner of reform and opening up but actually were engaged in achieving capitalism have their own way, thus creating the recent turmoil and counterrevolutionary rebellion. When studying and implementing the guidelines of the fourth plenary session of the party Central Committee, we should earnestly learn from this lesson paid for in blood. We should firmly remember that to achieve modernization in China, we should unswervingly and consistently uphold the four cardinal principles, the foundation for building the country. We should have a clear understanding of this.

We should enhance understanding of the historical inevitability of advancing continuously by following the line, principles, and policies laid down since the 3d plenary session of the 11th party Central Committee, and the road of reform and opening up. It is a historical inevitability for the Chinese people to select the socialist road. It is also a historical inevitability that we take the road of reform and opening up in building socialism with Chinese characteristics. We scored tremendous achievements in the 10-year reform and opening up, which became the focus of world attention. As has been proven in practice, it is totally correct for us to define economic construction as the central task and take the road of reform and opening up. There is nothing wrong with them. If there is any problem, it is that we have not been consistent enough in upholding the four cardinal principles, and we been inadequate in carrying out reform and opening up. Our stopping the turmoil and suppressing the counterrevolutionary rebellion never meant that we would take the road back, and give up reform and opening up. Giving up reform and opening up would mean that we would go back to the old closed-door road, and create historical retrogression. Rather than changing the policy of reform and opening up, we will continue to deepen reform, and expand the scope of opening up. When studying and implementing the guidelines of the fourth plenary session of the party Central Committee, we should resolutely and consistently take the road of reform and opening up in line with the "three-step" development strategy determined by the party Central Committee and Comrade Xiaoping, and carry out reform and opening up more bravely.

To deepen our understanding, we must strengthen the urgency of conducting ideological and political education. After taking charge of the work of the Central Committee, Comrade Zhao Ziyang weakened the role of the party, seriously neglected the building of spiritual civilization, and slackened his efforts in ideological and political work, thus preventing our political advantage to be displayed to the fullest. Particularly because he slackened his efforts to adhere to the four cardinal principles, to conduct ideological education on opposing bourgeois liberalization and combating spiritual pollution, and to conduct education on the national situation and on plain living and arduous struggle among all the people, the

people's ideology was confused as a result. This led to serious consequences. During the past few years, our material life improved. However, the ideological trends of "putting money above everything else," seeking high consumption, pursuing immediate benefits at the expense of lofty ideals, paying attention to personal gains at the expense of the interests of the state and the nation, belittling one's own motherland and people and worshipping foreign-developed things, and superficial, vulgar, or even degenerated unhealthy trends emerged. Some repulsive social phenomena which had long been perished emerged again. In face of this grim practical situation, we must recall the past during our study and implementation of the guidelines of the fourth plenary session, sum up experience and draw lessons from them, consider strengthening the party's leadership role, ideological and political work, and ideological education as the central tasks in maintaining unity in the whole party, thoroughly quelling the counterrevolutionary rebellion and successfully carrying out reform and construction, and grasp them earnestly.

Party organizations at all levels should consider conscientiously studying and implementing the guidelines of the fourth plenary session as a good beginning in improving our ideological and educational work, and should grasp the work firmly and well. At present, special efforts should be made to organize leading cadres at and above the county level to thoroughly study Comrade Deng Xiaoping's important speeches given on three occasions, Comrade Jiang Zemin's speech, and Comrade Li Peng's report, organize party members, cadres, and the broad masses of people to study the communique of the fourth plenary session and Comrade Deng Xiaoping's important speech given at the time when he received cadres at and above the army level of the martial law enforcement troops in Beijing. We should combine the study of the documents of the fourth plenary session with the study of a series of important documents of the party Central Committee and the State Council on halting the turmoil and quelling the counterrevolutionary rebellion, and with a series of important expositions of Comrade Deng Xiaoping on adhering to the four cardinal principles, combating bourgeois liberalization, and persisting in reform and opening up. In our study, we must keep in close connection with the reality in our ideology and work, clarify our confused understanding, distinguish between right and wrong, and conscientiously sum up experience and lessons. We should induce the people to ponder deeply the main reasons for the outbreak and development of this turmoil and rebellion; and how to thoroughly eliminate the ideological, political, economic, and social factors caused by the turmoil in an effort to maintain a long period of order and stability in the party and country. Through study, we should unite the ideology of the broad masses of party members, cadres, and the people with the decision of the fourth plenary session and the guidelines of Comrade Deng Xiaoping's important speeches and fulfill all tasks put forward by the fourth plenary session with our concrete

deeds. The propaganda departments of the party committees at all levels, party schools, and the press, broadcasting, television, and publication units should also actively and conscientiously study and implement the guidelines of the plenary session.

2. Proceed from the Reality of Liaoning and Grasp the Four Important Tasks in a Down-to-Earth Manner

The 4th plenary session of the 13th party Central Committee pointed out the orientation of advance for the whole party, and clearly defined the major tasks for the days to come. We should act in line with the plans of the central authorities, focus our work on studying and implementing the guidelines of the fourth plenary session, and mobilize the people throughout the province to proceed from the province's reality and to grasp well the four important tasks in a down-to-earth manner.

A. Thoroughly halt the turmoil, quell the counterrevolutionary rebellion, and further stabilize the situation of Liaoning.

Halting the turmoil and thoroughly quelling the counterrevolutionary rebellion are political tasks of top priority facing us. During the past 2 months or longer, the turmoil and counterrevolutionary rebellion in Beijing also spread to and affected Liaoning. A very small number of people in some localities of our province coordinated with those who created the turmoil and counterrevolutionary rebellion in Beijing in a vain attempt to stir up disturbances and create chaos in Liaoning. They wantonly fabricated and spread rumors to confuse and poison the people's minds and chanted reactionary slogans of overthrowing the Communist Party, the party, and state leaders in public. They established illegal organizations, incited student strikes, marchers, demonstrations, and sit-ins, and launched support-Beijing activities. They blockaded railways, seized and smashed vehicles, set up road barricades, blocked traffic, stormed plants, and incited workers to go on strike and to stop production, making our province and some cities also witness turmoils of varying degrees. Thanks to the party Central Committee and the State Council's resolute measures for resolutely halting the turmoil and quelling the rebellion; thanks to the efforts of the party committees and governments at all levels throughout the province to firmly maintain political unity with the party Central Committee, to resolutely implement a series of important policy decisions of the party Central Committee and the State Council, and to always consider stabilizing Liaoning as an overriding task; thanks to the fact that the broad masses of cadres and the people, particularly the nearly 10 million industrial workers, adopted a clear-cut stand to resist and combat the turmoil; and thanks to the fact that the broad masses of public security cadres, policemen, and the officers and men of the Armed Police Force performed their duties faithfully and exerted their utmost efforts; and thanks to our appropriate measures, the conspiracies of a small handful of persons who attempted to create a

big turmoil and counterrevolutionary rebellion could not succeed. Judging from the overall situation, we can say that our province's situation during the previous stage was basically stable. Of course, the situations in various cities and localities in our province were different. We should proceed from reality, analyze the situations in a fact-seeking manner, and deal with each case on its merits. However, we should not underestimate Liaoning's problems and lower our guard just because the conspiracy of a handful of persons failed. We should put Liaoning into the international and domestic climate in the course of analyzing its situation. Only by so doing, can we correctly grasp the situation. We should sober-mindedly recognize that some persons who participated in creating the turmoil and counterrevolutionary rebellion in Beijing and who plotted to create disturbances in our province and who engaged in beating, smashing, and looting have not been completely exposed. The ringleaders of some illegal organizations in our province have attempted to escape or hide themselves in some places. The ringleaders of some illegal organizations in other provinces also fled to our province and hid themselves. So far, some persons have also continued to coordinate with domestic and foreign hostile elements to write reactionary slogans and deliver reactionary letters. At present, some persons are still engaging in all kinds of secret illegal activities. They have plotted to launch "long-term struggles," threatened to "return 10 years from now," and waited for an opportunity to stage a comeback. If we fail to conscientiously investigate and deal resolute blows to them, the consequences will be serious. Therefore, we must fully understand the seriousness of this struggle, be determined, and concentrate our energy and time on conscientiously grasping the investigation work in our own localities and units, thoroughly eliminate the hidden danger of the turmoil and the evil, and win a complete victory in halting the turmoil and quelling the counterrevolutionary rebellion.

We should thoroughly investigate and expose all political conspiracies that create disturbances, and resolutely deal blows to the conspirators who plotted, organized, and directed the turmoil, those criminals who participated in the Beijing counterrevolutionary rebellion, the backbone elements of all illegal organizations, those criminals who engaged in beating, smashing, looting, burning, and killing, and those who seriously disrupted social security in line with the law. Some publicly and secretly established illegal organizations must be banned and all of their activities stopped. Those organizers who created rumors, printed reactionary leaflets, spread or copied reactionary video tapes, and engaged in demagogic and inflammatory activities must be resolutely investigated and dealt with.

Major illegal and destructive incidents that took place in some of the province's cities must be investigated. The backstage plotters and the onstage initiators and directors should particularly be investigated and must never be left at large. All localities should conscientiously investigate and seize the criminals wanted by the Beijing Municipal

Public Security Bureau and some other cities, and must not let them go into hiding or flee hither and thither in Liaoning. The people in our province who joined the illegal organizations in Beijing, such as "self-government union of college students from other areas," "Dare-to-Die Corps," "pickets," and "supporting teams," should be investigated and should register with the proper authorities one after another. In particular, the counterrevolutionary ruffians who engaged themselves in smashing, grabbing, arson, and murder should resolutely be investigated and must not escape punishment. The illegal elements in society who took the opportunity of the disturbances to stir up trouble and fish in troubled waters should be punished according to law in a strict and fast manner. Through investigations, a strong deterrent force of the people's democratic dictatorship should take shape to resolutely stop the rising trend of serious crimes, to intensify social order, and to make the broad masses of the people have a sense of security.

All local public security organs and relevant departments should continuously work in cooperation with each other. Particularly, we should adopt effective measures to strictly manage the exit and entry work, ports, and frontier and coastal defense areas and to prevent major criminals from fleeing to other places. We should further take over the weapons, ammunition, and reactionary and illegal propaganda goods that have spread in society. The plants and business centers that printed, copied, and spread various kinds of illegal propaganda goods should conscientiously be investigated. Those who make contributions to exposing and reporting criminal offenders and criminal activities should be awarded and commended. The people who shield or provide shelter for criminal offenders and illegal goods and the people who retaliate against those who reported should be held responsible for their crimes according to law. All localities should firmly attend to trying, examining, and concluding the cases related to the counterrevolutionaries and criminal offenders, and strive to publicly handle them as soon as possible.

Party organizations at various levels and relevant departments should strengthen leadership, strictly distinguish the two different types of contradictions, strictly enforce policies, and handle affairs strictly according to law. We should persist in the principle of taking facts as a basis and law as a criterion, and the policy of imposing lenient punishment on those who frankly confess their crimes and strict punishment on those who refuse to confess their crimes. Through arduous and painstaking work, we should strive to help more people by educating and uniting with them; and concentrate efforts on stably, accurately, and firmly dealing blows to the tiny minority of principal culprits and the die-hard elements who refuse to correct their mistakes. We should make realistic efforts to educate and break up into smaller groups the people who were, to varying degrees, involved in the disturbances; and help them question themselves of their mistakes. As for the young students and the people who do not clearly understand the real situation but joined

the marches, supporting activities, and sit-ins, spread illegal propaganda goods, and engaged in expressing extremist opinions and acts, we should help them clarify the truth and falsehood continuously according to the principle of education and persuasion by giving positive examples, summing up lessons, transforming their thinking, and upgrading their understanding.

B. We should persist in the principles of improving the economic environment, rectifying the economic order, conducting reforms, and opening to the outside world in order to promote a steady and sound economic increase.

In his speech at the fourth plenary session, Comrade Jiang Zemin pointed out: "Positively and steadily developing the national economy is always a key task in our modernization drive." "In the final analysis, the country's prosperity and the people's wealth are issues concerning economic strength. In the final analysis, international competition is a competition for economic strength." Comrade Xiaoping, emphatically pointing out during a talk on 16 June on the issue concerning what work tasks should be grasped in the near future said: "The first thing is to ensure no economic decline." Liaoning is a basic industrial base in China. So, whether or not the province can continuously maintain a sustained and steady economic increase is not only related to the provincial situation as a whole but also the whole nation. Therefore, we should attend to thoroughly putting down the counterrevolutionary rebellion, ending the disturbances, and stabilizing the situation on one hand, and attend to the economic construction and maintaining a reasonable and realistic economic growth rate on the other.

The general guiding principles for economic work in the second half of the year are to make continued efforts to adhere to the principle of improving the economic environment, rectifying the economic order, and comprehensively deepening reform, try in every possible way to overcome the difficulties, develop the national economy in a sustained and steady manner, unswervingly and comprehensively fulfill this year's national economic plan, firmly accelerate the pace of opening Liaodong peninsula to the outside world, and steadfastly stress the development of science, technology, and educational undertakings. To be more specific, we should particularly grasp well the following few tasks:

First, we should realistically adopt effective measures to promote a steady economic growth. During the first half of this year, although our province was seriously short of funds and energy and was affected by the turmoil and counterrevolutionary rebellion in the last 3 months, generally speaking, with the concerted efforts of the people throughout the province, the economic situation was better than we expected in the beginning of this year. However, in the second half of the year, the stagnant effect caused by the overheated economy and the influence from the turmoil and rebellion, and the difficulties and contradictions in the shortage of funds, energy, and

transport facilities will become even more prominent. To comprehensively fulfill this year's national economic plan, we must shoulder arduous tasks, be totally prepared mentally, and make strenuous efforts.

We must guarantee a good agricultural harvest this year. Agriculture is a major task for stabilizing the overall situation. We should make continued efforts to adhere to the party's rural policies defined since the 3d plenary session of the 11th party Central Committee, give top priority to agriculture in our national economy, and conscientiously grasp it. This year, although we have already won victory in spring farming which was our first battle, the recent drought has continued to remain serious. Some localities have witnessed insect pests. According to weather reports, our province will experience floods during the rainy season. Therefore, we must continue to increase agricultural input, guarantee material supply for agricultural production, and accelerate the popularization of agricultural science and technology. We should base on our own efforts to combat disasters during the year, never slacken our efforts, and foster the concept of combating disasters to reap a bumper harvest.

We should conscientiously implement the measures for improvement and consolidation, focus our work on raising economic results and grasp our industrial production well. We should resolutely narrow the scope of capital construction, and control the increase in consumption funds. The annual curtailment targets have already been assigned to the cities. All localities should grasp the work specifically and establish a strict assessment responsibility system. They are not allowed to break the scope under any pretext. In consumption funds, the expenditure on workers wages increased by 29 percent over the same period last year. This big increase has a hidden danger. In the second half of the year, the tasks of cutting back the scope of capital construction and controlling consumption funds will remain arduous. All localities should make continued efforts to grasp the work firmly and should not relax their fighting will or lower their guard. From January to May, our province witnessed a decline in industrial production. More prominently, the economic results were not good. The cost of comparable products rose, the total amount of profits declined, and the number of money-losing enterprises as well as the amount of deficits increased by a large margin. There were many objective factors for this situation. But there were problems in enterprises indeed, such as irrational product mix, high energy consumption, and ineffective operation and management. The fundamental measures for changing such a situation are:

1. We should mobilize the broad masses of cadres and the people to deeply conduct a campaign on "increasing production, practicing economy, increasing revenues, and reducing expenditure," with a focus on increasing economic results. At present, on one hand, we are seriously short of energy, funds, and some raw materials, and on the other, we have witnessed high material consumption and serious losses and wastes. We should

further strengthen enterprise management, raise the managerial level, prevent and reduce all sorts of losses and wastes, further accelerate technological progress, continue to improve the quality and variety of products, and increase effective supply.

2. We should accelerate readjustment in production set-up and product mix. Doing a good job in readjusting production set-up and product mix is the greatest achievement in increasing production and practicing economy and is the most important way to solve the current difficulties.

In line with the principle of low consumption and high benefits, we should supply on a priority basis funds, energy resources, and raw materials to large profit makers who turn out readily marketable goods. Restrictions should be imposed on the enterprises which produce low-quality and unsalable goods, consume large amounts of materials, and create serious pollution. With regard to such enterprises, we should actively guide them to convert their production lines, or have them incorporate with other enterprises with better economic results so that the limited essential elements for production can be organized in the best way, and yield greater results. We should actively popularize and apply new technology, exert great efforts to develop new products, increase the additional value of technology, and improve its economic results. In short, we should base ourselves on fully tapping our own potential to comprehensively fulfill our industrial production targets.

Second, we should further improve the contracted management responsibility system to invigorate large and medium-sized enterprises. Our province has many large and medium-sized key enterprises, and a strong contingent of workers. This is an advantage in Liaoning's economy, and also a pillar in stabilizing the political situation. The very purpose of deepening enterprise reform is to fully develop this advantage and the strength of this pillar. We should summarize experiences and lessons, further improve the contract responsibility system, facilitate the separation of government functions from business management, grant enterprises all the decisionmaking power they are entitled to, bring into better balance the relations among the state, the enterprises, and staff members and workers in terms of duties, responsibilities, and profits, invigorate enterprises, and boost their enthusiasm. 1) Focusing on improving economic results, and proceeding from anything that helps increase the state revenue, invigorate enterprises, and boost the enthusiasm of enterprises and their staff members and workers, we should further improve the system for fixing the contracted quotas, select the best managers, establish and improve the systems of competition, risk-taking, and self-regulation, and guard against and overcome myopic behaviors. 2) We should improve the system of distribution, and adjust well the systems of distribution within enterprises. We should correctly handle the relations among the state, the collective, and the individual, and encourage enterprises to spend more of

the profits they retain for their own use to expand production. We should truly implement the principle of distribution according to work, and more pay for more work, widening the difference between the income of managers and that of laborers without making it too large. 3) We should improve the contract responsibility system and strengthen enterprise management simultaneously, reinforce the basic work of enterprises, adjust, improve, and strictly enforce rules and regulations, make strict economic accounting, strengthen overall quality control, facilitate technological progress and the improvement of the technical competence of staff members and workers, and eliminate the phenomenon in which "management is replaced by contracts." 4) We should correctly handle the relations between the party and the government, and between cadres and the masses, and strengthen the democratic management of enterprises. Enforcement of the contract responsibility system should help boost the enthusiasm of both the managers and the vast number of staff members and workers, and should give play both to the central position and role of enterprise directors in line with the enterprise law, and to the role of the vast number of staff members and workers as masters of enterprises by relying on the guaranteeing and supervisory role of party organizations. While persisting in and safeguarding the enterprise director responsibility system, party committees should exercise supervision over enterprises' implementation of the party's line, principles, and policies, their business orientation, and the behaviors of their managers, including party-member responsible cadres. The role of workers congresses should be fully developed, and any important issues, and issues concerning the interest of staff members and workers arising in the production and management of enterprises should be discussed by workers congresses. In the meantime, they should educate and guide staff members and workers to correctly exercise their democratic rights, safeguard the overall interest, and abide by enterprise rules and regulations.

All cities and leading departments should earnestly pay attention to the work related to large and medium-sized enterprises. They should organize forces to conduct investigations and study, and help enterprises one by one work out measures to invigorate themselves and resolve their conspicuous contradictions and difficulties.

Third, we should unfailingly accelerate the opening of the Liaodong peninsula to the outside world, and greatly develop the export-oriented economy. In his recent speeches, Comrade Xiaoping pointed out: "Now the world is afraid that we will retreat. We should carry out some work to show that our policy of reform and opening up will be implemented further and not changed," "open ourselves wider than in the past," and "lift our flag of opening up in the world, and have some courage."

To successfully carry out the current work of opening to the outside world, the most important thing is to actively conduct external propaganda work on our own initiative, explain the true facts of the turmoil and rebellion to

foreign businessmen and foreigners staying in our province, publicize our province's unceasing improvements in the investment environment and the stable political situation, and do a good job in calming foreign experts and personnel from Hong Kong, Macao, and Taiwan. We should strive to persuade foreign experts and businessmen who wanted to leave our country, and guarantee the normal progress of their study, work, and living. It is necessary to contact those foreign traders and experts who have already left our country for home, invite them to come back and work at an earlier date, clarify the rumors, withstand pressure from outside, and adhere to the principles of maintaining independence and self-reliance. We should use the actual deeds of running well the development zone, the "Sino-foreign joint ventures, Sino-foreign cooperative enterprises, and wholly foreign-owned enterprises," and the trade fair of the three northeast provinces and Inner Mongolia Region to prove that our open policy will remain unchanged, and that our investment environment is good. We should continue to improve the investment environment for opening to the outside world, further implement the policies to attract foreign investment and strive to support the development zone and the joint ventures, cooperative enterprises, and wholly foreign-owned enterprises in terms of funds, power, transport, and raw materials in an effort to attract more foreign businessmen to invest in or to run enterprises in our province. We should consider expanding exports and increasing foreign exchange as the emphasis of opening up, fully use our own advantages, run special export plants and export bases well, actively "put both ends of production process—the supply of raw materials and the marketing of products—on the world market," and conduct "three forms of import processing and compensation trade," strive to improve the quality of export products, reduce cost, raise their competitiveness in the international market, and try in every possible way to fulfill this year's task of creating foreign exchange through export.

Fourth, We should cut back demands, strictly control commodity prices and further stabilize the market. Strictly controlling the scope of price increase is the important task of improvement and consolidation of this year and is the important foundation for stabilizing the market, setting the people minds at ease, and keeping the overall situation stable. Since the fourth quarter of last year, governments at all levels have adopted effective measures to control price hikes. As a result, the price increase in the first half of the year slowed down. However, the increase still exceeded our expected control target. Therefore, we must further strictly control commodity prices and resolutely check reckless price hikes and unwarranted charges. From now on, no measures for raising prices will be issued for commodities whose prices were under government control except for those which have been specially approved by the State Council. We should also guide and manage those market-adjusted commodity prices and the prices at county

fairs, and strictly punish unlawful acts of taking advantage of the turmoil to force up prices or to wantonly collect charges. We should realistically grasp market supply, guarantee the supply of daily necessities essential to the basic needs of the rural and urban people, strive to ensure that the 15 types of daily necessities will not be out of stock, continue to grasp the "projects related to nonstaple food and vegetables," and adopt measures to protect the breeding industry. Controlling commodity prices and stabilizing the market constitute a complicated and arduous task. All cities and departments concerned which are directly under the province should strengthen leadership over this work, establish a strict system of having administrative directors assume responsibility and the system of work division in various departments, and guarantee a basic stability in prices and in the market.

C. Realistically strengthen ideological and political work, and strive to grasp socialist spiritual civilization

In our socialist modernization construction, we must persist in grasping the work with our two hands. In addition, we must not be too rigid or too soft-handed in carrying out the work. We should always adhere to the "two basic points" and should not stress one at the expense of the other. Grasping ideological education is a central link for uniting with the whole party to launch the great political struggle. In the current struggle to thoroughly end the turmoil and to quell the counterrevolutionary rebellion, we must consider strengthening ideological and political work as a new starting point, conscientiously sum up experience and lessons, and realistically display our party's political advantages.

First, we should conduct education on adhering to the four cardinal principles and opposing bourgeois liberalization, unify the thinking of the party members, cadres, and the masses with the guidelines of the fourth plenary session, and clarify the understanding about the struggle. The broad masses of party members and cadres have gradually unified their thinking with the resolutions of the central authorities thanks to the work of continuously exposing the real situation of the counterrevolutionary rebellion, particularly, the central authorities' solution of Comrade Zhao Ziyang's problems. But, we must understand that there are still some misgivings and confused ideas. Some young students and intellectuals have great difficulties in transforming their thinking. This shows that they do not clearly understand the essence and seriousness of the struggle and the inevitability of the occurrence of the struggle. Thus, we should guide the cadres, the people, and young students to conscientiously study Comrade Xiaoping's important speeches and the documents adopted at the fourth plenary session so as to have them clearly understand the source, nature, and harmfulness of the counterrevolutionary rebellion; clearly understand that the class struggle shall exist within a certain scope for a long period of time and shall possibly be intensified under certain circumstances; and clearly understand the long-term and

complex nature and arduousness of the struggle against bourgeois liberalization; and to have them upgrade their awareness of adhering to the four cardinal principles and resisting bourgeois liberalization. We should adopt different methods to help the people at different status eliminate their misgivings and strive to unify their understanding of the major issues of principle.

Ideological education should be carried out according to reality and in a vivid and effective manner. For instance, universities and colleges can organize young students to conduct self-questioning; and conduct the education in line with such methods as exposing the inside stories of the disturbances and the counterrevolutionary rebellion, the counterrevolutionaries' cruel crimes, and the serious consequences brought about by the disturbances and the counterrevolutionary rebellion. Through education, we should ensure that all people can apply the viewpoint of linking motives with efficiency to clearly distinguish truth from falsehood; draw lessons from the facts that the majority of the people were used by the tiny minority of the people with designed plots; have faith in the party's policies through the party and the government's practices of strictly distinguishing the two different types of contradictions, uniting with the majority of the people, and dealing blows to the handful of the people; and understand that the party and the government have showed concern for, taken good care of, and also placed ardent hopes on the people because the party and the government sincerely accepted their correct opinions and truly helped them not commit mistakes. We should make the most of such propaganda and mass media means as television, radio, press, video tape recorders, and bulletins to have more people educated, to effectively occupy various kinds of ideological propaganda fronts, and to create a fine social media environment in the province.

The serious struggle proved again that our working class, the peasants, and the PLA are reliable. A large number of advanced figures and models emerged in the struggle. We should vigorously propagandize and commend them. The ranks of intellectuals in the province are good. They have played a key role in the socialist modernization, and the majority of them can withstand the tests of the serious political struggle. However, in the capacity as intellectuals, the tiny minority of the people with ulterior motives conducted propaganda on opposing the party and socialism and engaged in illegals' activities. They cannot represent the intellectuals of the whole province. We must continuously persist in the party's policies toward intellectuals and the principle of "letting a hundred flowers blossom and a hundred schools of thought contend;" respect knowledge; and bring the intellectuals' role into full play.

Second, we should make overall arrangements and work out a good plan for deeply conducting the education on patriotism, socialism, maintaining independence and the initiative, and arduously creating undertakings. We should conduct the education on the national situation,

including the education on the Chinese history in the past 100 years, the necessity of socialism, the current situation in the economic and cultural development, economic resources, the population, and the fine traditions of Chinese nationality among the people with a wrong concept of "socialism being inferior to capitalism." Through education, we must make the people truly understand that China must follow the path of socialism and only socialism can save China, and enhance their confidence and sense of responsibility in building socialism with Chinese characteristics.

We should conduct education on plain living, arduous struggle, and building up the country through thrift and hard work to counter the trends of seeking high consumption and engaging in extravagance and waste, and corrupt phenomena. Comrade Xiaoping pointed out: "Plain living and arduous struggle are our traditions, and we should pay attention to the education on plain living from now on for 60 to 70 years. The more our country develops, the more we should pay attention to the enterprising spirit in arduous struggle and plain living. Advocating this spirit will also help us overcome corrupt phenomena." We should make the vast number of party members, cadres, and ordinary people understand that if we do not stress plain living and arduous struggle, and lose this cherished heritage, we will be unable to resist the corrosion of bourgeois decadent ideas, party style and social conduct will be undermined, and accomplishing socialist modernization will become an empty word. We should enable the people to profoundly understand that under the current circumstances in which international capitalism is exerting pressure on us, and domestic economic activities are faced with difficulties, we should all the more develop the spirit of self-reliance, plain living, and arduous struggle, advocate austerity for a few years, and strive to promote our economic work.

We should also conduct education on cherishing ardent love for the PLA. We should profoundly understand that the PLA is a great wall of steel of the party and the state, the defender of the state, socialism, and the people's interest, and the most beloved persons. We should conscientiously carry out the work to support the Army and give preferential treatment to the families of revolutionary martyrs and soldiers, and make closer the relations between the Army and the government, between the Army and local authorities, and between the Army and the people.

Ideological and political education is a task for the entire party and all people, which all party organizations, governments, and departments should pay attention to. The education should be aimed at upgrading the quality of people, be conducted in an organized, planned, and systematic manner, and become a system to be carried out on a regular basis.

We should further strengthen party leadership over ideological, theoretical, press, publication, and cultural and art work. We should educate and guide the vast number

of cadres from theoretical, press, cultural, and intellectual circles to maintain unity with the party Central Committee in politics and action, accomplish outstanding work with a high sense of political responsibility, and occupy the cultural front with the socialist spiritual civilization. Cultural, publication, radio and television, industrial and commercial administrative, and public security departments should coordinate closely to strengthen management of the cultural market, and eliminate the breeding bed of bourgeois and feudal ideas that corrode youths.

Third, we should improve political work departments and the contingent of political cadres. Because Comrade Zhao Ziyang slandered and negated the party's fine tradition of political and ideological work on the excuse to "transform" political and ideological work, and even advocated abolishment of the contingent of political cadres, many departments and units slackened efforts in ideological and political work in the past few years, the contingent of political cadres became weak, and many political work organs were improperly disbanded. Such a situation should be changed. We should further enhance our understanding of ideological and political work, and strengthen ideological and political work. Party organizations of schools and enterprises should play a central role in conscientiously strengthening ideological and political work. Proceeding from reality, we should improve and strengthen the organs and cadres in charge of ideological and political work in line with the principle of making them compact and efficient, and give full play to party leadership and its advantage of ideological and political work.

D. We should strengthen party building, resolutely penalize corruption, and conscientiously accomplish a few things that arouse the spirit of the party and the people.

Our party is the central force that leads socialist modernization, and can never be replaced by any other political parties and organizations. This is the basic guarantee for our country to adhere to the socialist road and accomplish the four modernizations. Strengthening party building means to strengthen and consolidate the party's leading position, and give full play to its leading role in various undertakings. We should understand that although the situation and tasks are changing continuously, the nature of the party, and the communist goals should not change.

When carrying out the present struggle, we should eliminate the influence created by Comrade Zhao Ziyang's erroneous viewpoint of weakening party leadership and the party's role. We should conscientiously rectify the party in ideology, organization, and work style, strengthen and improve party leadership, strive to upgrade the quality of party members, and continuously enhance the party's combat strength and cohesive force.

First, we should follow the guidelines of the fourth plenary session of the party Central Committee to resolutely penalize corruption. Leaving this issue unresolved, the party will have difficulty in winning the trust of the people. An important reason why so many people were instigated by conspiratorial elements during the recent turmoil was that some corrupt phenomena existed within our party. We should earnestly learn from this lesson. Since last year, party organizations at various levels throughout the province have done a great amount of work and achieved certain results in maintaining honesty in official duty performance. However, our work still lags far behind the requirements of the party Central Committee and the expectations of the masses. To counter this problem, we should conscientiously carry out the following work at present.

1. Within a short period of time, the province as well as cities should investigate and handle a number of cases on embezzlement, bribe-taking, and extortion, with major and serious typical cases publicly handled. The work to punish corruption should be started from leading organs. We should not lower our guard just because only a few people are involved, nor be softhearted because those involved are leading cadres. Those who should be held responsible for their crimes should have their criminal liabilities pursued, those who should be punished according to party and administrative disciplinary actions should be resolutely punished, and those on whom economic sanctions should be imposed should also be punished accordingly. Of course, we should also adhere to the principle of seeking truth from facts, and act according to law.

2. Reexamination should be conducted again on the work to clean up and straighten out companies. Targets of the reexamination are the companies which outwardly have changed their licenses but inwardly are still engaged in profiteering by buying up goods and selling them at great profits; those which outwardly have severed links with party and government organs but actually have not; and those whose business and administrative authority has yet to be separated, and parental departments changed. Industrial and commercial administrative, auditing, supervisory, discipline inspection and procuratorial departments, and departments in charge of overall economic work should conscientiously reexamine these companies. During the reexamination, we should pay attention to working out some policy bounds that can be applied after investigating, studying, and analyzing some typical cases.

3. We should exert resolute efforts to check the unhealthy trends which the masses have many complaints about, and which are vigorously reported in society. At present, we should eliminate some party-member cadres' unhealthy practices in building, buying, distributing, and repairing houses, and the practices of extravagant wining and dining and present-giving with public funds. We should particularly examine those who abuse power to buy houses with public funds, who

illegally use land for housing construction, and who furnish their houses in excess of the standards. Those who violate law and discipline to a serious extent should be resolutely investigated and dealt with. The provincial discipline inspection and other departments will formulate specific regulations for handling such cases.

4. We should conduct intensive education on honesty in official duty performance and opposition to corruption. We should educate the vast number of party members and cadres with honesty in official duty performance, party discipline, and laws to increase the ability of the entire party, especially leading cadres, to resist corruption, enhance their idea of serving the people wholeheartedly, and enable them to establish the work style of plain living and arduous struggle. We should establish in and outside the party a good trend regarding honesty in official duty performance as something glorious, and embezzlement and corruption as something shameful. We should establish a system under which people in and outside the party report crimes, and sternly deal with the leading cadres who intervene and obstruct handling of cases, attack in retaliation against people who make reports, and shield crimes and serious bureaucracy.

Party committees and governments at various levels should strengthen leadership over the work to punish corruption and maintain honesty, and show concern for and support the work of discipline inspection, supervisory, auditing, and procuratorial departments. These departments should adhere to principles, be devoted to their duties, act impartially, and carry out their work actively.

Second, we should further strengthen the construction of leading bodies at various levels and grassroots party organizations in line with this struggle. The leading bodies' strength and qualifications should be judged according to whether or not they can unswervingly and comprehensively implement the guidelines of the fourth plenary session, politically acted in unison with the party Central Committee in the course of ending the disturbances and putting down the counterrevolutionary rebellion, can unswervingly eliminate corruption and maintain administrative honesty, and can bring into play the party's role as the core of leadership and the party organizations' role as a fighting force. The party organizations that supported the disturbances and failed to play their role in the struggle should resolutely be rectified and readjusted. The party organizations and the party-member cadres that withstood the tests and made contributions should be commended and awarded.

Third, we should conscientiously attend to the work of appraising party members in line with this struggle. At present, the work of appraising party members has been carried out comprehensively. Party organizations at various levels should regard party members' stands, viewpoints, attitudes, and manifestations as the main conditions for appraising them. Through studying documents, summing up experiences, making appraisals, and conducting education by setting positive examples, we

should have each and every party member actually maintain unanimity with the party Central Committee in terms of his thinking, political awareness, and action. The party members who plotted the disturbances and engaged themselves in smashing, beating, looting, and arson during the incident should resolutely be dismissed from the party, and the party-member cadres related to the incident should be removed from their posts. As for the party members who declared their decisions on withdrawing from the party during the disturbances, we should resolutely remove their names from the party's roster, and remove those with serious mistakes from the party. The party members who did wrong deeds and said wrong words out of their momentarily confused minds should sum up experiences and draw lessons at party meetings, study relevant documents to upgrade their awareness, and strive to unify their thinking with the guidelines of the central authorities.

Fourth, we should strengthen the education on party members and bring party members' exemplary vanguard role into full play. In the preceding stage, the provincial party committee has made arrangements for conducting the education for party members. We should continuously attend to the education. At present, we should closely proceed from the reality of the struggle to deepen the education on the adherence to the four cardinal principles, the opposition to bourgeois liberalization, the general program of the party Constitution, the party Constitution, and the party's basic line. The vast number of Communist Party members should bring their exemplary role into full play; take the lead in enforcing the party's basic line, implementing the guidelines of the fourth plenary session, and eliminating corrosive phenomena; and share worries with the party and tide over difficulties.

Fifth, we should vigorously strengthen the setup of socialist democracy and legal system. We should further bring into play the functions of the People's Congress system, strengthen the leadership over the People's Congress work, and support People's Congresses and their Standing Committees to exercise their power according to law, particularly, their power to supervising, according to law, the work of the governments. We should further develop and improve the system of multiparty cooperation under the leadership of the CPC and the political consultation system; and bring into better play the functions of the Chinese People's Political Consultative Conference organizations, democratic parties, and mass organizations for conducting state political activities. It is necessary to strengthen the party's leadership over trade unions, Communist Youth League organizations, and women's federations. We should continuously strengthen the education on socialist democracy and legal system among the people of various nationalities across the province so as to have them foster the awareness of being citizens, consciously exercise the democratic rights entrusted by the Constitution, and strictly enforce the duty as defined by the Constitution and the law. We should make concerted efforts to promote the construction of socialist democracy and politics to a new stage.

Comrades, this session is a meeting of extreme importance to implementing the guidelines of the 4th plenary session of the 13th party Central Committee. After the session, party organizations at various levels should act according to the requirements as set forth at the plenary session of the provincial party committee; guide the vast number of party members, cadres, and people to further rally closely around the party Central Committee; eliminate obstacles; tide over difficulties; attend to the implementation of the guidelines of the fourth plenary session in a down-to-earth manner; and confidently promote the progress of reforms, the opening to the outside world, and socialist modernization.

Liaoning's Quan Meets With Education Leaders

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[Text] From 7-8 July, Quan Shuren, secretary of the provincial party committee; Wang Julu, deputy secretary of the provincial party committee; and Wang Chonglu, member of the provincial party committee Standing Committee and director of the Propaganda Department, went deep to Dongbei Engineering Institution, Liaoning University, and Chinese Medical University and held a forum with their party and administrative leaders to study and discuss Deng Xiaoping's speeches and the communique of the fourth plenary session. Comrade Quan Shuren stressed at the forum that studying and implementing the guidelines of the fourth plenary session is a task of primary importance for institutions of higher learning at present.

Leading comrades of the provincial party committee conscientiously heard the reports on studying the speeches and the communique delivered by leading comrades of Dongbei Engineering Institution, Liaoning University, and Chinese Medical University, and by leading comrades from seven institutions of higher learning, including Shenyang Industrial University, Shenyang Chemical Industrial College, Shenyang Building Industrial College, and Shenyang Agricultural University, who paid a special visit to the forum on the afternoon of 8 July. Leaders of these schools generally reflected that through studying Deng Xiaoping's speeches and the communique of the fourth plenary session and hearing and watching, in a well-organized manner, tapes and video tapes of the real situation of the Beijing counter-revolutionary rebellion, the broad masses of teaching and administrative staff and young students have further deepened their understanding about the nature of the struggle, and some students also pondered over the matter in line with their study. However, a question remaining is that a considerable number of students have a confused understanding about some issues or cannot change their concept for a short while.

Regarding the ideological problems existing among some college teachers and students, Comrade Quan Shuren emphatically said: Studying and implementing the guidelines of the plenary session is a task of primary

importance for institutions of higher learning at present. The 4th plenary session of the 13th party Central Committee was convened at a critical moment that has a bearing on the future and fate of the party and the nation and was a meeting of extreme importance in the development of the party history. The session not only has great significance in thoroughly putting down the counterrevolutionary rebellion and further stabilizing the national situation as a whole but also has a far-reaching significance in and produces an impact on implementing the line, principles, and policies as set forth at the 3d plenary session of the 11th party Central Committee and the 13th party congress' general line and general principle of "one focus and two basic points." Studying and implementing the guidelines of the fourth plenary session is a task of primary importance for institutions of higher learning at present as well as a solemn political task. Studying the guidelines is particularly of practical significance to the institutions of higher learning. The disturbances and the counterrevolutionary rebellion that took place in Beijing in the previous stage also spread to and affected our province and greatly affected the universities in our province. Comparatively more problems related to the vast number of teaching and administrative staff and students should be clarified. In the previous stage, the institutions of higher learning have done a lot of work relating to relaying and implementing relevant documents and the guidelines of the fourth plenary session. The universities' situation is developing toward a good orientation although their relaying and implementation work is done in varying degrees. How should institutions of higher learning attend to their next-step study? After hearing your opinions, I always think that to relay the guidelines of the fourth plenary session, first of all, we should concentratedly solve the problems concerning the understanding of the nature of the struggle, and avoid endless quibbling over specific problems. Once the principal problems are grasped, all specific problems can be readily solved. Of course, we should have the people understand the facts. Through deeply and painstakingly conducting the ideological and political work, we should have a group of typical characters, including those who made mistakes in the struggle and came to realize the truth, understand the facts, and make them explain the facts. In the course of solving problems, we should help students foster a concept of correctly analyzing the problems, and pay attention to solving the problems concerning young students' ideological methods being divorced from reality.

Comrade Quan Shuren pointed out: Institutions of higher learning should fully understand the arduousness and complex nature of the struggle. There are many reasons why the solution of the problems concerning the understanding about the struggle is so arduous. First, the struggle itself is very complicated. The situation developed from the student unrest to the disturbances and the counterrevolutionary rebellion. A tiny minority of people engaged in well-planned, well-organized, and premeditated activities; and took the chance of student unrest to attempt to overturn the Communist Party.

Meanwhile, a large number of students and people without a clear understanding of the reality joined their activities. Thus, good people mixed with bad ones. We did not have a clear picture of the situation. Second, the struggle has both deep international and national backgrounds. The international reactionary forces are bent on subjugating our country. Our national principles against bourgeois liberalization have not conscientiously been enforced, but the concepts of bourgeois liberalization have been developing and run wild. As a result, a considerable number of people have been affected consciously or unconsciously. There must be a process to solve these problems. Third, "the Voice of America" created many rumors during the disturbances. At that time, a large number of students refused to read newspapers, watch televisions, or listen to the programs relayed from the central broadcasting station, but blindly listened to and believed rumors. The rumors exerted a widespread pernicious influence. We must do a lot of work to eliminate the influence. Therefore, we should set a sight on analyzing the situation and do painstaking work in this regard.

Comrade Quan Shuren also stressed: We must strictly distinguish between the two different categories of contradictions during the struggle. We should distinguish the tiny minority of young students from the serious criminal offenders who plotted, organized, and guided the disturbances and riots and engaged themselves in beating, smashing, and looting. Education should be strengthened among the students who joined the marches, supporting activities, and even the hunger strike due to their failure to clearly understand the facts. We should help them upgrade their understanding just because they were hoodwinked. At present, we should continuously persist in the principle of education and persuasion which we adopted toward young students from the very beginning. The students who still fail to change their concepts for a short while should also be educated and shall be permitted to ponder over the facts once more. Of course, we should unwaveringly but not leniently investigate the tiny minority of bad people.

In regard to some teachers' opinions on the party's policies toward intellectuals, Comrade Quan Shuren also repeatedly and emphatically pointed out: Our party's policies toward intellectuals have not been or shall not be changed. The party shall not reappraise the intellectuals just because of the Beijing counterrevolutionary rebellion. Universities and colleges are places where intellectuals gather together. We should further implement the party's policies toward intellectuals. It is certain that a small number of intellectuals stirred up, organized, and guided the disturbances in the struggle. However, this group of people cannot represent the broad masses of intellectuals. We believe that the vast number intellectuals shall certainly draw a clear distinction from them.

Comrade Quan Shuren concluded: Institutions of higher learning should first attend to the study among leading bodies and teaching and administrative staff. When the

leading bodies and the vast number of teaching and administrative staff can draw a clear distinction between truth and falsehood, it will be easy to do the work toward the students. In line with the study of the communique of the fourth plenary session, we should ponder over the work of the educational front and calmly think over the past and the future. There are many experiences and lessons that are worth drawing. For instance, how to conduct ideological education for the vast number of young college students and how to strengthen the institutions' party work and ideological and political work are questions related to educational principles. Through pondering, we can understand the institutions' existing problems as well as the problems in society so as to gradually clarify them.

Leading comrades of the Propaganda Department of the provincial party committee and the provincial education committee attended the forum.

Liaoning's Quan Praises Anticorruption Play
SK0408130189 Shenyang Liaoning Provincial Service
in Mandarin 2200 GMT 3 Aug 89

[Text] On the afternoon of 3 August, the provincial leaders and an audience of more than 1,000 watched a full-length drama, "A Whirlpool in the Big Tide," presented by the Shenyang Drama Troupe at the Art Palace in Shenyang.

After the performance, the theater resounded with enthusiastic applause. Quan Shuren, secretary of the provincial party committee, said with deep feeling: Such a good drama has been unprecedented in the past few years. This drama, "A Whirlpool in the Big Tide," has exposed the hideous features of some persons who used the signboard of communist members to take bribes, to bend the law and to seek personal gains, and eulogized the lofty image of some Communist Party members who promoted healthy trends and unyieldingly launched a struggle to safeguard the purity of the party. After the performance, provincial leading comrades cordially met with the performers. Quan Shuren, secretary of the provincial party committee, said: As far as most of the party members and cadres are concerned, education is most important in the anticorruption struggle. Education should be conducted throughout the struggle. Based on this, we should also formulate relevant (?systems). Good results will be achieved by using drama to educate the broad masses of party members and cadres. In addition, we should keep improving, raise the quality of party members, and attract the masses to the proletarian culture and art.

Li Changchun, provincial governor, Shang Wen, director of the Organization Department of the provincial party committee, and Gao Zi, secretary of the provincial Discipline Inspection Commission, also fully affirmed the achievements of this drama and put forward some specific suggestions for revision.

This drama, "A Whirlpool in the Big Tide," will be shown around the province. So far, 138,000 people have seen this drama.

Council Approves Divisional Changes in Liaoning
SK0408124089 Shenyang Liaoning Provincial Service in Mandarin 0930 GMT 1 Aug 89

[Text] With the formal approval of the State Council, the former Jinxi City was changed into a prefectural-level city. The Huludao and Nanpiao areas and Suizhong County, which were formally under the jurisdiction of Jinzhou City, and Jianchang County of Chaoyang City were placed under the leadership of Jinxi City.

Xingcheng City was placed under the management of Jinxi City and the system of placing counties under the leadership of the city is implemented.

At an on-the-spot office meeting on the establishment of Jinxi City, which was held by the provincial party committee and government on 28 July, Vice Governor Chen Suzhi announced this statement: A leading group to take charge of the preparations for the establishment of Jinxi City has been formed and has begun formal official business from now on. Jinxi City was formally a county-level city under the jurisdiction of Jinzhou City. Since the founding of China 40 years ago, particularly since the 3d plenary session of the 11th party Central Committee, this city has greatly developed its economic, cultural, and other undertakings. Changing Jinxi City into a prefectural-level city is an inevitable trend in the development of this area. In addition, it is also a necessary measure for further accelerating the economic development of the western part of Liaoning and for reform and opening up. On 29 July, leading comrades of the provincial party committee and government, including Quan Shuren, Li Changchun, Sun Qi, Chen Suzhi, Shang Wen, and Zhu Jiazhen and responsible comrades of departments concerned, totalling more than 30 persons, made a special trip to Jinzhou to attend the on-the-spot office meeting to study issues concerning the establishment of Jinxi City. Comrade (Hong Xinbo) is the chief of the leading group in charge of the preparations for the establishment of Jinxi City. Comrades (Zhao Xiang) and (Tang Hongzhen) are the deputy chiefs, (Li Zibin), (Wang Dachao), (Wang Shouyi) and (Wang Zemin) are members.

The provincial party committee and government called on comrades of Chaoyang, Jinzhou, and Jinxi Cities to proceed from the overall situation of comprehensively developing the economy in the western part of Liaoning, to keep hold of the enterprising spirit, observe discipline, and strive to make Jinxi city enter a path of normal operation within a short period of time.

Jinzhou Hosts Meeting on Liaoning Economy
SK0408125589 Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 3 Aug 89

[Text] On 31 July, leading comrades of the provincial government, including Provincial Governor Li Changchun and Vice Provincial Governors Zhu Jiazhen and

Chen Suzhi, held a meeting in Jinzhou to handle official business on the spot and put forward principles and tasks for Jinzhou City's economic work, such as deepening reform, invigorating enterprises, accelerating innovations in outdated enterprises, relying on science and technology, and readjusting production set-up and product mix.

Leading comrades of the provincial government pointed out: The provincial government has decided that the plant director responsibility system, the contract management responsibility system, and the effective policies and measures for invigorating enterprises, provided that they conform to state stipulations, will remain unchanged.

Jinzhou has many outdated enterprises. To accelerate transformation, we must step up our efforts to conduct some new items that can help enterprises extricate themselves from a difficult position. Enterprises and the financial departments should save money to help outdated enterprises with fairly good economic results in the first half of the year and those enterprises which can produce the desired results within a short time to accelerate transformation and should refrain from (establishing new enterprises). Improvements in the transformation of outdated enterprises will enable us to lay a foundation for the next stage of development. The industrial and communications front should pay attention to actively developing new products and should increase the variety of products.

Leading comrades of the provincial government said: Jinzhou is our province's old industrial base, with a fairly great number of universities, colleges, and scientific research units. It has good conditions for developing new products. They called on Jinzhou City to rapidly carry out this work, because this is the most important current task.

Research Continues at Liaoning Mountains
OW0408124689 Beijing XINHUA in English 1006 GMT 4 Aug 89

[Text] Shenyang, August 4 (XINHUA) - As the world grows alarmed at global change, such as the "greenhouse effect," the Changbai mountain range, which runs along the China-Korea border, is becoming a focus of international ecological research.

The Changbai mountain range, famous for its luxuriant forests and a variety of rare animals, is of immense value to scientific research and nature conservation.

Since the Chinese Academy of Sciences set up a research station for forest ecosystems in 1979, a number of on-the-spot investigations have been carried out at the Changbai by scientists from both China and abroad, amassing a wealth of scientific data that many experts believe to be "uniquely valuable" in studying the greenhouse effect of gases such as carbon dioxide in the ozone.

Recently the station joined the Ecology Research Program (CERP) of the United Nations' Educational, Scientific, and Cultural Organization, which added impetus to scientific research into the Changbai, notably in collecting data about forest ecology and its surrounding atmosphere.

A 60-meter high, nine-story monitoring tower was erected last month in the primeval forest that scientists said would eventually become part of the global geosphere-biosphere observatories proposed by the International Council of Scientific Unions early last year.

Northwest Region

Veteran Gansu Cadres Discuss Party Building

HK0508021589 Lanzhou Gansu Provincial Service
in Mandarin 2300 GMT 4 Aug 89

[Excerpts] On 4 August, the provincial party committee invited a number of veteran comrades to discuss questions of party building. Secretary Li Ziqi chaired the meeting.

Wang Bingxiang, member of the Standing Committee of the Chinese People's Political Consultative Conference [CPPCC], said that the most important thing in stepping up party building is to adhere to the four cardinal principles, strengthen party leadership, and govern the party with strictness. People's thinking in some units is very confused, and we must pay sufficient attention to this. We must vigorously launch education in patriotism and communism, to ensure that the younger generation will truly become successors to the communist cause. [passage omitted]

Wang Yaohua, member of the CPPCC; Huang Luobin, member of the Central Advisory Commission, and Chen Xu, a deputy to the National People's Congress, expressed the hope that the provincial party committee and the leaders at all levels will take the lead in carrying forward the party's fine traditions and promote party building throughout the province.

After listening to the veteran comrades' speeches, Li Ziqi said that this has been a very successful meeting. Your speeches have greatly enlightened us. The leaders at all levels must seriously sum up the past and reflect on the future. We now have an excellent opportunity for grasping ideological and political work and party building. We must be determined to solve some practical problems so as to gain the masses' trust. Only thus can our party have great vitality and lead the masses to do a good job in socialist modernization. [passage omitted]

Ningxia Leader Addresses Economic Meeting

HK0408134289 Yinchuan NINGXIA RIBAO
in Chinese 25 Jul 89 p 1

[Report by Jiang Senlin (5592 2773 7792): "Ningxia's Hopes Lie in Reform and Opening Up"]

[Text] At the analytical meeting on the regional economic situation, which ended on 20 July, regional people's government Chairman Bai Lichen emphatically

pointed out: Since the 3d Plenary Session of the 11th CPC Central Committee, we have really made great progress and attained enormous development in reform and opening up. However, compared with other provinces and regions and viewed from the requirements of the central authorities, there are still big gaps. Ningxia's hopes lie in reform and opening up.

The meeting, which was convened by the regional people's government, was held in Yinchuan from 19 to 20 July. The responsible persons of the regional industrial, transport, financial, trade, and banking departments, commissioner's offices, cities, and counties, as well as some factories, mines, and enterprises, attended the meeting. Shen Daren, Bai Lichen, and other regional party and government leaders attended the meeting. Ren Qixing and Cheng Faguang, vice chairmen of the regional people's government, spoke about the regional situation on the industrial, transport, financial, and trade fronts in the first half of this year and the future tasks. The responsible persons of Yinchuan City, Shizuishan City, Yinnan and Guyuan commissioner's offices, the regional people's bank, the regional financial department, the regional bureau of commodity prices, the regional bureau of materials, and Yinchuan railway sub-bureau briefed the meeting about their work. The comrades attending the meeting discussed and analyzed in a down-to-earth manner the region's economic situation in the first half of this year, holding that the situation was better than expected. This was mainly manifested in the following aspects: We have attained synchronous growth in the gross value of industrial production, sales income, the realized taxes and profits, the taxes and profits delivered to the state, the profits retained by enterprises, and local financial revenues; controlled the scale of capital construction, money supply, and irrational expenses; improved the production structure and product mix within the industry; and made a breakthrough by topping 2 billion yuan in the savings deposits of urban and rural residents. But there are some outstanding problems which should not be overlooked, such as ineffective elimination of losses, poor product quality, substantial increases in the costs of comparable products, and safety in production.

Regional people's government Chairman Bai Lichen spoke at the meeting on 20 July. He pointed out: Taken as a whole, our region's economic, political, and reform situation is fine. It is necessary to bring our ideas, understandings, and concepts in line with the spirit of the 4th Plenary Session of the 13th CPC Central Committee and the recent speeches of Comrades Deng Xiaoping, Jiang Zemin, and Li Peng. We should uphold one center and two basic points. Comrade Deng Xiaoping said that we had not done enough in reform and opening up. As I see it, although Ningxia has attained enormous achievements in reform and opening up, they are enough in comparison with the advanced regions. Take export as an example. Up to now no enterprises in our region have decision-making power in export. Over the past few years, we have imported very little foreign

funds. There are still not many enterprises that are partially or wholly foreign-owned and problems still exist in some of them. We have made great progress in conducting rural reform and instituting the system of responsibility for production in which payment is linked to output, but we are still in the stage of groping our way with regard to the second-step reform. In our agricultural production, various services before and after production should still be strengthened. In the field of restructuring the urban economy, we put in a lot of efforts last year. We have made much headway in the number of enterprises instituting the contract system, but there are still problems in contract quality and completeness. The economic restructuring centering on the invigoration of enterprises has not been fully implemented. In the future, we should continuously uphold and improve the enterprise contracted management responsibility system and a series of reforms within the enterprises, including the factory director (manager) responsibility system. Further efforts should be made to strengthen party leadership and ideological and political work and bring into full play the role of party organizations as fighting bastions and the vanguard, exemplary role of party members. It is necessary to conscientiously implement the "Enterprise Law," strengthen democratic management of enterprises, and carry forward the spirit of the working class, including the intellectuals, as the master of their own affairs.

All things must go through a development process from being small to big, from being imperfect to perfect, and from a lower level to a higher level. We should not negate them just because there are some problems. We should view this issue from a historical perspective. Following the reform and opening up, compared vertically, we have made much progress. However, compared laterally, there are still big gaps in our work. We should neither be self-satisfied nor stop where we are. Ningxia's hopes lie in reform and opening up rather than closing the region to outside intercourse. We should import capital, skilled personnel, technology, and equipment and make joint efforts to develop and build Ningxia. Given further reform and opening up, there are four weak links in our economic work, i.e., insufficient capital, electricity, and raw materials and the strains on transport. We must strengthen the macro regulatory and control functions. What should we do to strengthen them? We should set up a leading group to coordinate electricity, goods and materials, funds, and transport. Its functions are as follows: 1) Formulate and amplify various rules, regulations, systems, methods, and measures; 2) solve outstanding major issues; and 3) supervise and inspect work and do a good job of developing a clean government. By strengthening macro regulatory and control means we shall be able to straighten out economic relations and stimulate our region's economic growth.

Shaanxi Stresses Corporate Rectification
HK0508014389 Xian Shaanxi Provincial Service
in Mandarin 2330 GMT 4 Aug 89

[Excerpts] The provincial party committee and government held a mobilization rally on 4 August on further

screening and straightening out companies throughout the province. The meeting demanded that the party committees and government at all levels rapidly take action to regard this work as a major affair for implementing the spirit of the fourth plenary session and get a good grasp of it.

Provincial party and government leaders Zhang Boxing, Hou Zongbin, Zhou Yaguang, Dong Jichang, Mou Lingsheng, Sun Kehua, and others attended the rally. Dong Jichang, deputy secretary of the provincial party committee, presided. He first read out a decision of the provincial party committee and government on further screening and straightening out companies.

Vice Governor Xu Shanlin made a speech. [passage omitted]

He gave the following views:

1. Problems are serious in many companies, and it is essential to carry out thorough screening and rectification.
2. Summon up resolve to deal with companies with serious problems, handling them in batches.
3. Seriously sum up experiences and lessons, and strictly grasp and handle well various policy issues.
4. The party committees and government at all levels must further strengthen organizational leadership over screening and straightening out companies.

Xu Shanlin said that some companies in Shaanxi have become legitimate positions for official profiteering and hotbeds for the growth of corruption. It is now imperative that we summon up resolve to straighten things out. [passage omitted]

First Muslim University Enrolls Students in Shaanxi
OW0408132389 Beijing XINHUA in English
1213 GMT 4 Aug 89

[Text] Xian, August 4 (XINHUA)—China's first Muslim university—Xian Muslim Cultural Training University—has begun to enroll students.

The university, set up with non-government organizations, mainly enrolls students from ten ethnic minorities believing in Islamism.

With a two-year schooling, the students mainly study English, Arabic and Law in the university.

It is learned that the university also offers advanced Muslim cultural training courses and workshops for Muslim entrepreneurs.

Islamism was introduced in China in the year of 651. Now China has 15 million Islam believers.

Sinking Taiwan Fishing Boat Rescued in Zhoushan
*OW0508120389 Hangzhou Zhejiang Provincial Service
in Mandarin 0900 GMT 4 Aug 89*

[Text] While sailing from Zhoushan's outer fishing grounds to seek shelter in Shenjiamen Harbor from Typhoon No 13, the 180-HP, 75-ton (Xinlichang) No 32 steel-hull fishing boat from Keelung, Taiwan, sank off the coast of Putuo because its propeller suddenly broke

off. This smashed the stern axle and caused water to rush into the engine room. But its crew was safely rescued by (Xinlichang) No 12, another fishing boat from Taiwan.

Yesterday afternoon, party committee leaders of Putuo District, Zhoushan City, went to where the Taiwan fishing boat was anchored in Shenjiamen Harbor to extend their regards and give assistance to the rescued fishermen.

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